Plans for the Third G20 Summit 2009

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List of Acronyms and Abbreviations

AIMA	Alternative Investment Management Association
ASEAN	Association of South East Asian Nations
BRIC	Brazil, Russia, India, China
CBI	Confederation of British Industry
CIMA	Cayman Islands Monetary Authority
EU	European Union
FCO	Foreign & Commonwealth Office
FSB	Financial Stability Board
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
IOSCO	International Organization of Securities Commissions
L20	Leaders' Twenty
MDB	multilateral development bank
MDGs	Millennium Development Goals
NAB	new arrangements to borrow
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
SDRs	special drawing rights
WTO	World Trade Organization

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Preface

This report on the "G20 Summit: Plans for the Third 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).

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 took place on April 1-2, 2009. The United Kingdom hosted the meeting in London. Spain and the Netherlands participated in the meeting again and representatives from ASEAN, the FSF, IMF, NEPAD, the UN, World Bank and WTO were also included. The third G20 meeting will take place in Pittsburgh on September 24-25, 2009, with the United States as host.

The G20 finance ministers' and central bank governors' group first met in 1999. They met for their tenth annual meeting on November 8-9, 2008, in Sao Paulo, Brazil. They have started meeting more frequently since the leaders from the G20 met in November 14-15, 2008. They met again on April 24, 2009, in Washington DC on the margins of the annual spring meeting of the IMF and World Bank, and again for their annual meeting on November 7-8, 2009, hosted by the United Kingdom. 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

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official-level meetings of this forum started by the United States in 2007. President Barack Obama has called for the second summit-level MEM to take place in Washington at the end of April 2008. In both cases, membership largely overlaps that of the G20 finance ministers.[1]

2. Agenda and Priorities

Underscoring the risk that hopes for a quick turnaround may be premature, the World Bank said that it expected the global economy to shrink nearly 3% in 2009, far deeper than the 1.7% contraction it predicted slightly more than two months ago. Although it expected growth in developed countries to resume next year, emerging-market countries could feel the effects of "aftershocks" for several years. "It's quite clear that even if the developed world starts on a path of recovery, for many developing countries, it will take longer," said president Robert Zoellick. "Financial markets seem to have broken the fall but there are clear fragilities and risks remain … Some of these fragile developing economies don't have any cushion."[2] (June 12, 2009, *New York Times*)

British chancellor of the exchequer Alistair Darling predicts the recession will be over by December 2009, brushing aside doubts that his budget forecast is overoptimistic. "We will see a return to growth at the turn of the year," he said. Darling has insisted that as long as Britain and other countries fully implement the rescue package agreed by the G20 in April, and UK banks step up lending, a firm recovery will take hold by the end of 2009. "I remain confident that we will come through this, provided we ensure that we deliver what we set out at the G20, and what we are doing ourselves, particularly in relation to ensuring that the bank-lending agreements are fully implemented. That is very, very important."[3] (May 20, 2009, *The Times*)

The G20 leaders will meet again before the end of the year. It is suspected that the next summit will take place in September in New York, but this has not yet been confirmed.[4] (April 4, 2009, *The Independent*)

Finance ministers and central bank governors from the G7 and the G20 will meet on April 24 in Washington. They will follow-up on discussions held at the G20 and, more specifically, will discuss International Monetary Fund (IMF) reform. The meeting will take place on the sidelines of the spring IMF and World Bank meetings. The exact agenda for the meeting is not yet known. (April 3, 2009, *Reuters News*)[5]

[1] The G20 Gleneagles Dialogue is comprised of members from Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Iran, Japan, Mexico, Nigeria, Poland, Russia, South Africa, Spain, the United Kingdom and the United States. The MEM-16 is composed of members from Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, South Korea, South Africa, the United Kingdom, the United States and the European Union.
[2] *New York Times* (June 12, 2009), "World Bank Sees Economy Shrinking 3 Percent This Year."
[3] *The Times* (May 20, 2009), "Alistair Darling predicts UK recession will be over by Christmas."
[4] *Independent* (April 4, 2009), "Brown's assignment for the next G20 meeting: a blueprint for IMF reform."
[5] *Reuters News* (April 3, 2009), "G7 finmins to meet April 24, follow up on G20-EU."

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Coordinated Controls

German chancellor Angela Merkel vowed to focus on establishing coordinated controls over global financial markets at the G20 Pittsburgh Summit as part of the international effort to quell the financial crisis. "We'll make clear that one point we're dedicated to is strengthening the multilateral system," she said. Merkel said the decisions made at the April G20 summit must be implemented, including stricter limits on hedge funds, executive pay, credit rating firms and risk taking by banks.[6] (June 5, 2009, *Bloomberg News*)

Stimulus and/or Regulation

Brazil is considering imposing new rules on credit rating agencies so that investors rely less on ratings. Agencies have been criticized for highly rating financial products that became untradable as a result of the credit crunch. Regulators want to reduce the sector's pivotal role in shaping investor decisions or how much capital banks set aside. "We are considering importing specific rules on managing conflicts of interest, disclosure of ratings and mapping relating local ratings to global ratings," said Maria Helena Santana, chair of Brazil's Securities and Exchange Commission. "We are trying to do some cleaning up ... the mandatory rating process for some products we now require." The market must not support the reliance of investors on ratings rather than carrying out due diligence before investing. It is unclear whether the Brazilian commission will follow the U.S. Securities and Exchange Commission's proposal to remove references to credit ratings in most of its rules. Santana stopped short of calling for holding agencies liable for their ratings, as did her Israeli counterpart, Zohar Goshen. Global regulators are taking steps to rein in rating agencies such as Moody's Corp and Standard & Poor's. U.S. securities regulators have adopted rules to improve the agencies' business conduct and now require more disclosure about a security's underlying assets. The EU has adopted a law requiring agencies to be authorized and directly supervised for the first time. Legislation has been introduced in the U.S. Senate that would allow investors to sue credit rating agencies that fail to review key information in developing a rating, although it is unclear whether this bill will become law. Santana said Brazil's commission is also considering improving investment fund regulation, mainly relating to disclosure in retail offerings of products. She said the G20 could learn from Brazil, where financial markets are more regulated than in many other countries. One of the G20's main concerns is short selling, including discipline in the settlement of the market and the reporting of short operations to regulators: "We have that in both perspectives — disclosure reporting and settlement discipline," Santana noted. Similarly, IOSCO could study Brazil's over-the-counter derivatives market. All institutional investors in Brazil are required to register OTC trades in systems that are regulated and supervised by the Brazilian commission.[7] (June 8, 2009, *News Press*)

The European Commission planned to present a new financial package on May 27, 2009, in response to the appeal by the Europeans at the G20 London Summit for stricter

[6] *Bloomberg News* (June 5, 2009), "Merkel vows to boost G20 market controls."
[7] *News Press* (June 8, 2009), "IMF Strengthens Actions to Help Resolve Global Economic Crisis."

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regulation of the financial sector. It was to be based on banking supervision and follow on from the recent proposals on ratings agencies and hedge funds. The EU executive would propose the creation of a European systemic risk committee, headed by the president of the European Central Bank, to alert the national authorities if a potentially important economic problem arises, as recommended in the de Larosière report. It would also propose a European system of financial supervisors, a network of national authorities that would rely on new pan-European authorities in charge of supervising banks, insurance companies and financial markets. These authorities would replace existing consultative committees and would have decision-making authority.[8] (May 26, 2009, *Europolitics*)

The Australian Prudential and Regulation Authority has delayed the release of its executive pay principles for the finance industry due to last-minute concerns from pay experts. Changes to employee share schemes may have thwarted key aspects of the proposals, which are expected to reflect G20 meeting guidelines.[9] (May 21, 2009, *Australian Financial Review*)

Japan may need more stimulus if the recession worsens. According to the IMF, "fiscal policy should also remain flexible to address further downside risks. Japan's stimulus spending is sizable at 5% of GDP — well above the G20 average — and additional stimulus could be provided should the recession persist longer than expected."[10] (May 20, 2009, *Reuters News*)

The G20 are on track to meet their pledge to spend the equivalent of 2% of their GDP, according to a new estimate by the IMF. The G20 will spend $820 billion on stimulus programs in 2009, compared with a March estimate of $590 billion. The revision reflects programs announced within the last few weeks by Japan, South Korea and Russia.[11] (April 26, 2009, *The Globe and Mail*)

U.S. treasury secretary Timothy Geithner indicated that he would urge the G20 to continue to support their respective economies long enough so that a recovery can take root, like the U.S. is trying to do with its $787, three-year stimulus program launched in February.[12] (April 23, 2009, *Agence France Presse*)

Canadian finance minister Jim Flaherty intends to push finance ministers of the G7 and G20 at their April 24 meetings to roll out their fiscal stimulus packages as quickly as possible in an effort to mitigate the impact of a deeper-than-expected recession.[13] (April 23, 2009, *National Post*)

[8] *Europolitics* (May 26, 2009), "New Financial Package' Due Out."
[9] *Australian Financial Review* (May 21, 2009), "APRA postpones executive pay proposals."
[10] *Reuters News* (May 20, 2009), "IMF: Japan may need more stimulus if slump worsens."
[11] *The Globe and Mail* (April 26, 2009), "G20 stimulus spending on track, says IMF."
[12] *Agence France Presse* (April 23, 2009), "G7, G20 meet Friday to 'follow-up' on London summit."
[13] *National Post* (April 23, 2009), "Flaherty to push G20 for faster rollout of stimulus packages."

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French president Nicolas Sarkozy was happy with the G20's work on implementing new and tougher financial and economic regulations at the summit in London.[14] (April 3, 2009, *Financial Times London*)

Japan's prime minister Taro Aso claims he got approval to proceed with an additional stimulus plan at the G20 summit in London. Aso is apparently seeking to adopt "the largest possible" new economic package under Japan's current fiscal conditions. It is supposed to include at least ¥10 trillion in fiscal spending.[15] (April 2, 2009, *Kyodo News*)

Tax Havens

Switzerland and the U.S. have reached agreement on a double taxation treaty. Switzerland aims to secure 12 new bilateral tax deals by the end of 2009, which could allow it to be removed from the OECD "grey list" of states, which need to improve tax cooperation and avoid possible sanctions from G20 nations.[16] (June 19, 2009, *Reuters News*)

Britain is against the idea put forward by France of including Hong Kong on a tax-haven blacklist. "I don't think we have seen Hong Kong needing to be covered by blacklisting," said Adair Turner, chairman of the UK's financial services authority. "Obviously, it is important we have common standards of not only the regulatory quality, about which there is no doubt at all in relation to Hong Kong, but also agreements on how we deal with tax." During the recent G20 meeting, Sarkozy called for the inclusion of Hong Kong and Macao on the tax haven blacklist. Hong Kong Chief Executive Donald Tsang responded to the idea by saying: "We have a very simple tax system. We have a low tax rate. We have a very transparent and very competent and well-respected banking and financial services system. Indeed, our tax rate is low, but that does not mean that we harbor irregularities in our system." Turner agreed there was no problem as far as Britain was concerned. "We certainly don't believe in Hong Kong being on any of the blacklists," he said. Turner suggested the steady improvement over time of financial standards and the assurance that all parts of the world should meet those standards was "a priority seen at the G20."[17] (June 18, 2009, *China Daily*)

The UK is backing calls to force multinational companies to reveal precisely how much tax they pay in each jurisdiction they operate in. The move is being hailed as a significant breakthrough towards ending tax secrecy. Stephen Timms, the British financial secretary to the treasury, planned to tell G20 ministers gathering for a meeting in Berlin that country-by-country reporting should be introduced. At present, companies do not need to reveal what tax or profits they make in many countries. The Berlin meeting will be an "exchange of information" to build on the G20 summit in London. Timms said: "I want to make sure we address the concerns in developing countries." Timms made the promise for the Berlin meeting as he signed an agreement with William McKeeva Bush, the head

[14] *Financial Times London* (April 3, 2009), "Sarkozy claims credit on winning tighter regulation."
[15] *Kyodo News* (April 2, 2009), "Japan gets G20 backing for more spending, benefactor role."
[16] *Reuters News* (June 19, 2009), "Switzerland strikes tax deal with US."
[17] *China Daily* (June 18, 2009), "Don't Blacklist Hong Kong, Says UK."

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of government business for the Cayman Islands, to enable the Treasury to demand information from the tax haven." It has been a closed door until now." Other agreements will be signed shortly, possibly in Berlin. Liechtenstein is thought to be one of the next countries likely to sign up, and Timms said the "big prize" would be Switzerland. The Caymans agreement failed in its central purpose and set a precedent that other low-tax countries would want to follow. The agreement with the Cayman Islands is one of 113 double-taxation agreements that the UK has in force. The new one allows for an exchange of information about tax between the Cayman Islands and the UK. Timms said it included "unprecedented" provisions for exchanging information. An upcoming code of practice for banks is expected to crack down on the use of tax havens by major banking groups. Timms said the code — originally slated for the budget — would be published "shortly."[18] (June 16, 2009, *The Guardian*)

The UK and the Netherlands have been told to open talks with their dependent territories to encourage them to crack down on income tax fraud. Territories including the Cayman Islands, Gibraltar, Aruba and the Dutch Antilles are all still on an OECD grey list of regions that have committed to but have still to implement standards on tax information sharing. A revision to the EU's Savings Tax Directive is to extend its provisions and EU Taxation Commissioner László Kovács said the move, along with anti-fraud and administrative cooperation agreements, would send a strong signal to the international community that the EU is moving on the conclusions of the G20 meeting of 2 April.[19] (June 11, 2009, *Europolitics*)

Luxembourg signed a new tax cooperation agreement with France that reduces the scope of its banking secrecy, one of over a dozen such deals it intends to reach this year to avoid being branded a tax haven. Luxembourg must ink at least 12 such agreements to be removed from the OECD's grey list. Luxembourg signed agreements with the U.S., Bahrain and the Netherlands in May. "We welcome this signature with the enthusiasm that goes with implementing the G20's decisions," said French finance minister Christine Lagarde.[20] (June 3, 2009, *Reuters News*)

The standard for making the white list of tax havens is to have 12 signed tax information exchange agreements (TIEAs). Many countries are currently working toward this number, but have said that there is no clear deadline for when countries were supposed to have met them by.[21] (May 27, 2009, *The Royal Gazette*)

Switzerland will attend a high-level meeting on tax havens taking place in Berlin on June 23 after host Germany, the most vocal critic of Swiss bank secrecy, agreed to extend an invitation. Germany has been one of the main supporters of a global campaign against tax cheats and managed to gather support for the naming and shaming of Switzerland and other offshore financial centres at the G20 meeting in April. Swiss attendance in Berlin

[18] *The Guardian* (June 16, 2009), "Britain backs moves to force multinationals to reveal how much tax they pay in each country: Cayman Islands signs deal to release information Liberal Democrats dismiss treaty as 'feeble.'"
[19] *Europolitics* (June 11, 2009), "Strong Signal on Tax Fraud."
[20] *Reuters News* (June 3, 2009), "Luxembourg signs tax deal with France to improve image."
[21] *The Royal Gazette* (May 27, 2009), "Cox: There was no April 2 deadline for TIEAs."

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had been in doubt given tension between the two countries, but Swiss finance ministry representative Delphine Jaccard said that Switzerland had been invited and would send a representative. The Berlin meeting is a follow-up meeting to a Franco-German initiative in Paris in October at which the two countries, which suspect many citizens hide their money in Switzerland and other offshore centres, endorsed the idea of drafting a black list of tax havens. Switzerland, where private banks manage around $2 trillion of foreign wealth, needs to offer more tax cooperation to avoid G20 sanctions. It has vowed to adopt international standards for tax transparency and cooperation in 12 new treaties it needs to sign by year-end.[22] (May 25, 2009, *Reuters News*)

Luxembourg and Liechtenstein, criticized for failing to implement international tax standards, entered into talks on a bilateral treaty in an effort to show their willingness to cooperate. The double-taxation treaty would conform to standards set by the OECD. Luxembourg treasurer Luc Frieden said the agreement should be completed later this year. "I'm convinced that our goal to conclude 15 double-tax treaties in line with OECD standards by the end of the year is absolutely realistic."[23] (May 22, 2009, *Bloomberg News*)

Italy has still not decided whether to adopt a new amnesty encouraging people to declare funds held in foreign tax havens, Berlusconi said. Bank sources estimate that Italians have about €600 billion ($795 billion) in foreign tax havens. Last month Prime Minister Sivlio Berlusconi said the tax haven amnesty idea originated in the G20 but has still not taken on any substance.[24] (May 13, 2009, *Reuters News*)

The move by the U.S. to crack down on the use of tax havens is likely to embolden other countries to take action; Britain has already announced changes as part of the G20 initiatives. Wealthy individuals who use bank accounts in tax havens to hide income will also be targeted through new laws requiring disclosure of such accounts. Under the G20 initiatives, jurisdictions that do not provide information about their banking systems will be sanctioned. There are also plans for withholding taxes on accounts at institutions that do not share information. "It's really hitting most Fortune 100 companies that depend to a great deal on growth on foreign markets for growing their total earnings," said Drew Lyn, a principal at PricewaterhouseCooper's Washington office.[25] (May 6, 2009, *The Sunday Morning Herald*)

Switzerland revealed that is was formally calling the OECD to explain why some of the G20 economies were not included on a list that formed the basis for an international crackdown on tax havens. In a letter to OECD secretary general Angel Gurria, president and finance minister Hans-Rudolf Merz reiterated Swiss complaints about the "non-transparent, arbitrary and exclusive" way the organization drew up the list. He also called on the OECD to ensure that tax information exchange agreements countries sign, to fall into line with OECD standards, are effective. Merz asked Gurria to reveal what criteria was used in assessing all the countries and whether the OECD would "take into account

[22] *Reuters News* (May 25, 2009), "Swiss to attend Berlin talks on tax havens."
[23] *Bloomberg News* (May 22, 2009), "Luxembourg, Liechtenstein Enter Talks on Tax Treaty."
[24] *Reuters News* (May 13, 2009), "Italy hasn't decided on tax haven amnesty — PM."
[25] *The Sunday Morning Herald* (May 6, 2009), "Obama tax haven crackdown could affect Westfield."

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the quality and timeliness of the exchanged information." "The key issue is how such cooperation is implemented and monitored," Merz said in the letter. "There must be a level playing field for all jurisdictions concerned." Copies of the letter were also sent to British finance minister Alistair Darling and FSB chair Mario Draghi.[26] (April 29, 2009, *Agence France Presse*)

While many countries have conceded to requests from the G20 and OECD to lighten up on bank secrecy; others, such as Panama, are refusing to do so. Panama is declaring itself as one of the few places where money can still be safely stowed away. At the G20 summit, the leaders threatened to take action against countries that would not cooperate. The OECD has been asked to investigate and report to the G20 finance ministers when they meet in Scotland in November.[27] (April 13, 2009, *The Times*)

British overseas tax havens have been put under renewed pressure by prime minister Gordon Brown to end their culture of secrecy within six months or face sanctions. The prime minister has written to all British crown dependencies and overseas territories giving them a September deadline to sign up to agreements to share tax information with the authorities. Seven British territories were named and shamed by the OECD when it published a list to coincide with the G20 summit of havens that had either not agreed to or not yet implemented its international tax standards. Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat and Turks and Caicos were all placed on the OECD's "grey list" for failing to deliver on promises to be more transparent, despite signing up to do so, in some cases, several years ago. The prime minister has also written today to the British crown dependencies of Jersey, Guernsey and Isle of Man telling them he expects rapid further progress to end tax and banking secrecy. All three are on the OECD's "white list" of jurisdictions that have already implemented a number of bilateral agreements to share tax information with other authorities, but they are still used by companies engaged in tax avoidance. Tax information exchange agreements (TIEAs) can require tax inspectors to jump through a series of highly technical hoops in order to obtain information. Brown has told the dependencies that he expects them to move beyond meeting the OECD's minimum standards on co-operation to a spirit of full transparency. He also ratcheted up the pressure on tax havens in a special meeting earlier this week with Michael Foot, a former inspector of banks for the Central Bank of the Bahamas, who has been charged with a treasury review of offshore financial centres. Foot's preliminary report on regulation of tax havens is expected before the Budget. Some countries on the OECD grey list such as Switzerland, Luxembourg, and Belgium, reacted angrily to their classification last week and accused the British and Americans of hypocrisy because so many offshore financial centres came under their control.[28] (April 10, 2009, *Guardian Unlimited*)

Switzerland has frozen a financial contribution to the OECD in protest at being included on the organization's tax havens list without being consulted. "Switzerland used its veto rights" to withhold $179,315 earmarked for cooperation between the OECD and the G20

[26] *Agence France Presse* (April 29, 2009), "Swiss ask OECD about G20 tax compliance list."
[27] *Times* (April 13, 2009), "Panama holds out against campaign to end era of banking secrecy."
[28] *Guardian Unlimited* (April 10, 2009), "Tax havens must end culture of secrecy in six months or face sanctions."

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countries. "The amount is relatively modest but its a symbolic and strong gesture, a protest." G20 leaders are using the OECD's listing of compliance with its international tax exchange standard as a basis for a crackdown on secretive offshore havens. Switzerland was classified on a 'grey' list of about 40 countries which have pledged to comply but have not yet substantially implemented the standard. The Swiss government eased banking secrecy on March 14 under international pressure. The Swiss were ready to unfreeze the contribution "if the OECD pledges to inform Switzerland beforehand when it gives documents to the G20."[29] (April 8, 2009, *Agence France Presse*)

The four countries named OECD's blacklist of non-cooperative tax havens (Malaysia, the Philippines, Uruguay and Costa Rica) have pledged to share the fiscal information demanded by the G20, the OECD said. "They have now officially informed the OECD that they commit to cooperate in the fight against tax abuse, that this year they will propose legislation to remove the impediments to the implementation of the standard and will incorporate the standard in their existing laws and treaties." European Union Commissioner for Taxation and Custom Union Laszlo Kovacs said pledges by tax havens are only a start. "Commitments are the first step; we're more interested in the implementation." "We need a level playing field and are looking forward to quick implementation of the standard." The G20 has been applying pressure, with threats of sanctions, on tax havens to share information in the fight against fiscal crimes such as tax evasion and money laundering. The G20 asked the OECD to set up and maintain the blacklist. In a "graylist," the OECD listed an additional 38 territories as those that "have committed to the internationally agreed tax standard, but have not yet substantially implemented" the measures. Malaysia, the Philippines, Uruguay and Costa Rica now join that list. The graylist includes: Belgium, Brunei, Chile, the Dutch Antilles, Gibraltar, Liechtenstein, Luxembourg, Monaco, Singapore, Switzerland and Caribbean island nations including the Bahamas, Bermuda and the Cayman Islands.[30] (April 8, 2009, *The Wall Street Journal Asia*)

Bank Supervision

EU leaders agreed that new EU financial oversight agencies could overrule national regulators as a last resort, but soothed British fears by saying they shouldn't order them to use taxpayers' money to bail out banks. EU nations say they need better oversight of banks and markets to prevent a repeat of last year's financial crisis. Leaders want three new agencies to oversee banks, insurers and financial markets should have "binding" powers to intervene when national regulators cannot cooperate on how to tackle troubled financial groups that operate in several countries. But they also bowed to British fears of tighter EU financial supervision by saying these agencies should not overrule national regulators where public money would end up footing the bill — an apparent contradiction for the EU's executive commission to wade through when it drafts a law to set up the agencies later this year. Leaders are also expected to back a new overseer to warn of major risks to financial stability — such as the wave of securitized or repackaged debt

[29] *Agence France Presse* (April 8, 2009), "Swiss freeze money for OECD in tax haven spat."
[30] *The Wall Street Journal Asia* (April 8, 2009), "Leading the News: Blacklisted tax havens pledge to share data."

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that has helped punch huge holes in banks' balance sheets. It was unclear if leaders had made any progress on whether it should be led by the European Central Bank's president. Britain is unhappy that the euro zone bank would automatically lead the systemic risk board to monitor the region's economy and wants the position to open to the 11 EU nations outside the euro area. The EU's financial regulation overhaul aims to set a common rule book for European nations, closing loopholes on accounting standards and other technical issues that see financial groups in some countries escape tight regulation elsewhere. At its heart, the EU will now change how it supervises the 40 or so major cross-border banks that operate across several of its 27 nations. This is urgent as banks write down huge losses from bad loans. From as soon as next year, each financial institution would be tracked by a "college" of national supervisors. The supervisors would come from the countries where the financial firm does business and will swap information and decide what to do if a group runs into trouble — such as lending heavily without holding capital to cover possible losses. When national supervisors can't agree, the European Commission and some nations insist that the EU agencies should step in and make a decision for them. This raised hackles in Britain where they have long resisted any greater EU oversight of its financial industry, preferring a "light touch" regulation now viewed with skepticism by France and Germany.[31] (June 18, 2009, *Associated Press Newswires*)

"The US will have a systematic-financial-stability regulator. But we are not going to have a unified regulatory body like in Japan or the United Kingdom. We are going to be more like China, which has different regulators, but their role will be more clarified," David Loevinger, the U.S. treasury's newly appointed executive secretary said. He stressed that the September G20 meeting will also be "an important part" of the Obama administration's financial reform. "The G20 is going to be a very important body going forward. Whatever we do in the US to strengthen our financial regulation and supervision … We know we have to work with China and other critical partners to strengthen financial supervision … We are seeing some risk stability and recovery in the US financial market, and risk premium is coming down. Financial markets are rising, and banks are beginning to lend to each other, and this are optimistic."[32] (June 18, 2009, *China Daily*)

Banks that are considered too big to fail may be larger than regulators should allow, Bank of England governor Mervyn King said. King said policymakers faced uncomfortable choices about the structure and regulation of banks. "If some banks are thought to be too big to fail, then, in the words of a distinguished American economist, they are too big." "It is not sensible to allow large banks to combine high street retail banking with risky investment banking or funding strategies, and then provide an implicit state guarantee against failure. Something must give." But British finance minister Alistair Darling said it would not be straightforward to limit banks' operations. "The solution is not as simple, as some have suggested, as restricting the size of banks," he said. "We have learnt that you don't necessarily need to be a big bank — or indeed a complex one — to threaten to bring the system down." King said state guarantees should be limited to banks that make

[31] *Associated Press Newswires* (June 18, 2009), "EU leaders agree financial oversight reform."
[32] *China Daily* (June 18, 2009), "US Reform 'Will Secure Chinese Investment.'"

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a narrower range of investments, or that banks which pose greater risks to taxpayers should face higher capital requirements. Alternatively there could special powers to wind down such complex institutions in an orderly manner. "Or perhaps an element of all three. Privately owned and managed institutions that are too big to fail sit oddly with a market economy." Darling said banks should have in place proper plans to mitigate those risks and deal with failure. "This is the right way of dealing with the big bank problem. But because these banks are global, there is also an urgent need for an international mechanism for resolving failed large multinational banks … We will be bringing forward proposals to the G20 finance ministers in the autumn to ensure that we deal with that."[33] (June 17, 2009, *Reuters News*)

The Basel Committee on Banking Supervision decided to broaden its membership and to invite as new members representatives from the G20 countries that are not currently in the committee. Argentina, Indonesia, Saudi Arabia, South Africa and Turkey are invited to join. In addition, Hong Kong SAR and Singapore have also been invited to become members. "The newly expanded membership will enhance the Committee's ability to carry out its core mission to strengthen global supervisory practices and standards," it said. "It will also help to more effectively implement the necessary reforms of the international financial system."[34] (June 10, 2009, *Reuters News*)

Everyone agrees that governments must imperatively deal with the toxic assets of major banks but the G7 and G20 finance ministers' meetings that took place at the end of April merely served to highlight how slow they are in doing so. "It is frustrating," said Canadian finance minister Jim Flaherty, who hopes U.S. treasury secretary Timothy Geithner's decision to conduct stress tests on most of the large U.S. banks will lead quickly to an effective plan to treat the problem. "Once the Americans do their cleansing of their system and reinforcement of their system, we need it done also in Europe," he said. The IMF estimated that European banks would need to write down $750 billion through 2010 in bad loans and securities. European central bank governor Jean-Claude Trichet said the IMF's analysis was not entirely convincing and France said it was flawed because it was based on "top-down" extrapolation rather than the kind of hard data that national supervisory bodies have on their banks.[35] (April 26, 2009, *Reuters News*)

The heads of the major French banks pledged to implement measures in line with the program worked out by the G20 in London at the beginning of April. "The G20 marks a considerable evolution of the financial system. We now have to make the measures a reality," said Georges Pauget, head of the French Bankers Association and chief executive of French semi-mutual banking giant Crédit Agricole S.A. Pauget made his remarks following a meeting with French president Nicolas Sarkozy, senior ministers, top monetary and regulatory officials and the heads of the country's other leading banks. "I am very happy to see that the banks are taking up initiatives," French finance minister Christine Lagarde said. Financing the economy to help limit the impact of the financial

[33] *Reuters News* (June 17, 2009), "BoE's King says some banks may be just too big."
[34] *Reuters News* (June 10, 2009), "Basel banking committee invites new members."
[35] *Reuters News* (April 26, 2009), "G20 stimulus spending on track, says IMF."

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crisis and implementing the G20 measures are French banks' top two priorities at the moment, Pauget added.[36] (April 10, 2009, *Dow Jones International News*)

Hedge Funds

A global regulatory body backed compulsory registration of hedge fund managers to restore investor confidence, saying the $1.3 trillion sector did not cause the credit crunch but may have amplified its effects. The International Organisation of Securities Commissions (IOSCO) represents regulators from over 100 countries, including the U.S., Japan and the 27-nation EU. Its final principles flesh out a pledge from the G20 in April that all hedge fund managers should be registered and directly supervised. There are already signs that full convergence on global hedge fund rules may be difficult to achieve. The EU has put forward a draft law that goes much further than the final principles adopted by IOSCO. The U.S. is also planning mandatory registration of hedge funds but so far in a less extensive way than the EU. IOSCO's six principles include mandatory registration of hedge fund managers who should disclose a range of information to regulators and investors. Prime brokers who provide funding to hedge funds, typically banks, should also be subject to mandatory registration and supervision. IOSCO stopped short of saying there should be mandatory registration of all underlying hedge funds as well as their managers, a step some countries have called for. The Alternative Investment Management Association (IAMA), a global hedge fund lobby, said it backed registration and reporting of relevant information by large hedge funds to supervisors. "A few notes of caution, however. We would stress that it is hedge fund managers, rather than the funds themselves, that should be registered," AIMA said In a statement. It was also concerned that regulators may seek "quantity rather than quality of data." Regulatory oversight should be more focused on systemically important and higher risk hedge fund managers, IOSCO said. Some policymakers say direct supervision is needed because big hedge funds pose a risk to financial stability. The industry says it has been made a scapegoat because of activist hedge funds and no fund has needed bailing out with taxpayer cash. "We all recognise that there are vast numbers of hedge funds that might not pose a systemic risk at all," Ross said. The EU draft law lays down thresholds for "systemically" important funds and for applying capital requirements but IOSCO said more work was needed on both issues before taking a final position. "We obviously need to make sure we just don't focus on hedge funds in isolation... It's very clear we don't view the current crisis as a hedge fund crisis," Ross said. The Cayman Islands Monetary Authority (CIMA), which oversees most of the world's hedge funds, joined IOSCO this month. "That will create greater confidence across the globe that there are common standards being implemented as to the supervision of hedge funds and hedge fund managers," Ross said. CIMA said it was planning to reveal more information about hedge funds it supervises as offshore centres face pressure from the G20 to be more transparent. IOSCO said the sector provided liquidity, price efficiency and risk distribution but regulation was needed because there are questions over the effectiveness of industry codes.[37] (June 22, 2009, *Reuters News*)

[36] *Dow Jones International News* (April 10, 2009), "Sarkozy Gets French Banks' Pledge to Abide By G20 Accords."
[37] *Reuters News* (June 22, 2009), "Global regulators back hedge fund registration."

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Slashing the time it takes to settle a trade would largely curb short-selling, a top EU market regulator said, as supervisors turn up the heat on the $1.4 trillion hedge fund sector. Short selling has been blamed for accelerating slides in bank shares and the practice, a favourite strategy for many hedge funds, has already been curbed in some EU states. Share trades in the EU are typically settled within three days, but a top regulator said technology should allow near instantaneous settlement. "It would reduce the possibility to trade within the settlement cycle," said Eddy Wymeersch, chair of the Committee of European Securities Regulators. "I am amazed that with all the technology that we have today that we could not settle in [less than one day] and that would largely enable us to eliminate short selling," The U.S. considered a very short settlement time a few years ago but gave up as banks said it would be too costly.[38] (April 28, 2009, *Reuters News*)

Aspects of a planned European Commission directive to regulate hedge funds do not go far enough and must change to protect investors, French finance minister Christine Lagarde said. "The good side of the directive being prepared by the commission is that is establishes [a] surveillance [system] on hedge funds." But one unacceptable characteristic of the plan was that the commission also wanted to create a system based on "mutual recognition." She added, "It is with this kind of system, which is based on a set or agreements, that we open the door to the arrival in Europe of a fund from the Cayman islands which will never have been controlled directly by the European Union."[39] (April 27, 2009, *Reuters News*)

The G20 agreed to regulate and oversee "systemically important" hedge funds, leaving the industry guessing who would be considered systemically important. Funds with assets of $2 billion or more will likely draw government oversight, but it could go down to as low as $500 million. This could cause "unnecessary stress" on smaller managers, according to some.[40] (April 6, 2009, *Dow Jones News Service*)

Currencies

French President Sarkozy said the G20 would have to address the issue of how currency exchange rates weigh on global economic competition. He said: "Given the distortions in global competition, currencies today are what are playing the most important role. In the future, the G20 will just have to address that issue."[41] (June 15, 2009, *Reuters News*)

Russia's proposal to create a new supranational currency may lay the foundation for a new future financial system and reduce global vulnerability to movements in the dollar, president Dmitry Medvedev said. "We need some kind of universal means of payment, which could create the basis of a future international financial system … It's our idea, and our Chinese colleagues support it." A new world currency may also be on the agenda

[38] *Reuters News* (April 28, 2009), "Reuters Summit-Regulatory heat turned up on hedge funds."
[39] *Reuters News* (April 27, 2009), "French economy minister criticises EU hedge fund plan."
[40] *Dow Jones News Service* (April 6, 2009), "Hedge funds debate importance after G20 pact."
[41] *Reuters News* (June 15, 2009), "Sarkozy says G20 must address issue of currencies."

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when the BRIC (Brazil, Russia, India and China) countries meet for their June 16 summit in Russia. "I do not rule out they will discuss the idea voiced by the president to create a supranational currency and the rouble as a reserve currency," a spokesperson for Medvedev said.[42] (June 6, 2009, *New Brunswick Business Journal*)

China's demand, raised at the London Summit, that the dollar be replaced as the world's leading currency with a basket of other currencies, has caught the attention of Brazil. Brazil has joined China in declaring using their respective currencies in all international trade transactions, discarding the U.S. dollar. It is not a currency swap that is being discussed. "What we are talking about now is Brazil paying for its imports from China in its currency called real and China paying for Brazilian goods in renminbi. The governors of the central banks of the two countries will meet shortly to work out the details," a Brazilian official said.[43] (May 20, 2009, *The Financial Express*)

China and Russia have called for a sweeping overhaul of the global monetary system that would enhance the use of the SDR, an international reserve asset created by the IMF in 1969 that has the potential to act as a super-sovereign reserve currency. The proposals by the emerging economic powers reflect concern with the primacy of the U.S. dollar as the main reserve currency. While the IMF has said the dollar's status as the dominant reserve unit is not under threat, it was understandable that China and others have raised the issue. Russia has said that a new international reserve currency, which dislodges the dollar, could curb the volatility of foreign exchange markets.[44] (April 9, 2009, *Reuters News*)

Exit Strategy

The IMF says it is time to talk exit strategies since all members now endorsed stimulus measures taken to combat the global financial crisis and the need to clean up banks' bad assets. "Everybody is happy with what has been done on fiscal stimulus ... all agree on the absolute necessity of cleaning the financial system," IMF managing director Dominique Strauss-Kahn said. He said there were substantial differences, however, over what steps should be taken to prepare for the economic upturn on the other side of the crisis, adding that countries needed to have a view three to four years ahead.[45] (April 26, 2009, *Agence France Presse*)

International Monetary Fund

Dominique Strauss-Kahn, IMF managing director, welcomed Brazil's intention to invest up to US$10 billion in notes to be the IMF. "I welcome President Luiz Inacio Lula da Silva's decision, and the announcement by Finance Minister Guido Mantega, that Brazil will contribute to the Fund's resources to help member countries weather the current global economic crisis by investing in IMF notes. With this announcement, Brazil is

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[42] *New Brunswick Business Journal* (June 6, 2009), "Russia Currency plan may spur financial system."
[43] *The Financial Express* (May 20, 2009), "China's demand for replacing dollar draws wide attention."
[44] *Reuters News* (April 9, 2009), "IMF considers options on G20 SDR plan-spokeswoman."
[45] *Agence France Presse* (April 26, 2009), "IMF says time to talk crisis exit plans."

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joining other countries in fulfilling the commitment of the G20 leaders in April … The Brazilian authorities have shown great leadership and engagement in the whole process of IMF reform and expansion of our funding, and I am pleased that Brazil is clearly showing its strong support to the international economic and financial system. Brazil once more reaffirms its strong role as a leading emerging market economy … IMF staff will present the necessary documentation to the Fund's Executive Board to allow the issuance of notes as early as possible."[46] (June 10, 2009, *Presswire*)

A White House bid to push a US$108 billion contribution to the IMF through Congress is in danger of unravelling because of an unlikely coalition of Republicans, liberal Democrats and anti-globalization activists. The U.S. pressed hard at the April G20 summit to boost the IMF's lending coffers by about $500 billion. If the U.S. is unable to deliver on its share, that is bound to slow pledges from other nations. Winning Congressional support for IMF funding is difficult because of a long-standing distrust of international institutions and a lack of powerful corporate sponsors. Anti-bailout sentiment among lawmakers is making the task harder.[47] (June 10, 2009, *The Wall Street Journal*)

The State Administration of Foreign Exchange (SAFE) said that China, the holder of the world's largest foreign exchange reserves, is considering purchasing up to US$50 billion in bonds issued by the IMF. The decision to invest will be based on China's evaluation of the investment in terms of safety and reasonable returns, said the SAFE, adding that China is ready to play an active role in IMF's endeavour to raise funds through market methods to provide timely and efficient support to its member countries. The figure was larger than the US$40 billion announced by British prime minister Gordon Brown at a news conference at the close of G20 London Summit.[48] (June 9, 2009, *China Knowledge Press*)

To overcome the global economic crisis, it is necessary to work out new standards of regulating the financial markets and institutions, and to put into effect the resolutions adopted by the G20 on the reforming of international financial institutions, Russian president Medvedev said. "These are the main directions, on which we think it is necessary to make progress in the coming months."[49] (June 5, 2009, *ITAR-TASS World Service*)

The IMF expects to present a proposal for the allocation of US$250 billion in SDRs to member countries in June. The G20 agree to allocate these funds to member countries to bolster global liquidity.[50] (June 4, 2009, *Reuters News*)

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[46] *Presswire* (June 10, 2009), "IMF Managing Director Dominique Strauss-Kahn Welcomes Brazil's Intention to Invest Up To US$10 Billion in Notes Issued by the IMF."
[47] *The Wall Street Journal* (June 10, 2009), "World News: Major IMF Contribution Faces Resistance in U.S. Congress."
[48] *China Knowledge Press* (June 9, 2009), "China mulls buying up to US$50 bln in IMF bonds."
[49] *ITAR-TASS World Service* (June 5, 2009), "Medvedev calls for reforming int financial institutions."
[50] *Reuters News* (June 4, 2009), "IMF to consider $250 bln SDR plan in June."

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Dmitry Medvedev and Alexey Kudrin, Russia's finance minister, discussed concerns over agreements reached at the G20 summit in London at the end of May. For its part, Russia is ready to place a considerable amount of funds in IMF bonds. The amount is approximately $10 billion.[51] (May 27, 2009, *BBC Monitoring Former Soviet Union*)

Australian treasurer Wayne Swan has defended his government's commitment to lend $10 billion to the IMF when it is borrowing $188 billion to fund its own budget. "Our proportion of the new arrangement to borrow that we have always contributed to under the previous government and this government is going to increase … What we have done as part of the new agreement to borrow is that we have agreed that there will be increased resources, loans which are repaid with interest … should they be required."[52] (May 14, 2009, *Australian Associated Press Financial News Wire*)

Efforts to triple the IMF's resources to $750 billion are slowly coming together, with major developing countries coalescing around a plan to buy the IMF's first bond issue. U.S. treasury secretary Timothy Geithner continued to push for the money to go into an existing lending facility called the New Arrangements to Borrow (NAB), which could be expanded by up to $500 billion from just $50 billion. "Significant progress toward the goal of NAB expansion by $500 billion must be an important outcome of the [G7, G20 and IMF meetings]" Geithner said. However, Brazil, Russia, India and China have joined in seeking to contribute through a bond offer as a temporary measure to help the IMF as they push for a stronger voice at the institution. Brazilian finance minister Guido Mantega said buying a bond would provide funds quickly, while enabling the countries to retain some bargaining power in the broader reform process. Contributions to the NAB are considered permanent. "We are interested in putting resources in the fund … we don't want to do it in a conventional way."[53] (April 27, 2009, *Dow Jones Chinese Financial Wire*)

Strauss-Kahn, IMF managing director, noted positively broad agreement on supplying the IMF with additional funds so that it can help poorer countries struggling in the crisis. "A key achievement of today's meeting is ensuring the doubling of the Fund's loanable resources," the IMF steering committee said in a statement. In a first stage, $250 billion dollars will be available through a special facility to help "member countries with external financing needs," followed by another $250 billion, as agreed at the G20 summit on April 2. The possibility that the IMF would raise extra funds by selling bonds to member states was also raised.[54] (April 26, 2009, *Agence France Presse*)

After the G7 and G20 finance ministers met at the end of April, the IMF garnered widespread support to rebuild its functions to meet the needs of countries badly shaken by the economic downturn. The IMF's primary policy-guiding body agreed to take

[51] *BBC Monitoring Former Soviet Union* (May 27, 2009), "Russia considers placing 10bn dollars in IMF bonds to meet its G20 commitments."
[52] *Australian Associated Press Financial News Wire* (May 14, 2009), "Swan defends funding for IMF loans."
[53] *Dow Jones Chinese Financial Wire* (April 27, 2009), "DJ IMF Awaits G20 Funding as Interest in Bond Issue Grows."
[54] *Agence France Presse* (April 26, 2009), "IMF says time to talk crisis exit plans."

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additional steps to restore global financial stability and to realize an early economic recovery. "We underline the central role of the IMF and commit ourselves to further strengthening the fund's ability to assist in meeting members' external needs," the IMFC said. To help boost global liquidity, the G20 leaders agreed to triple the resources available to the IMF to $750 billion and allocate an additional $250 billion worth of SDRs. "While we are ensuring that the IMF has adequate resources, we urge the IMF to make sure the resources are accessible to members and are targeted to the most pressing problems," U.S. treasury secretary Geithner said. As for additional resources, countries including Japan, the EU, Canada and Switzerland have pledged they would be ready to provide money." U.S. president Barack Obama proposed to provide a loan of $100 billion to the IMF in a letter to Congress. The IMF is hoping to settle the rest of the $500 billion as early as May, but there were no clear pledges from other countries at the policy committee.[55] (April 25, 2009, *Kyodo News*)

The G20 London Summit promised massive new resources for the IMF and the World Bank. France signed a commitment to provide the IMF with an additional $16 billion to help fight the global financial crisis. French finance minister Christine Lagarde signed the accord in Washington.[56] (April 23, 2009, *Agence France Presse*)

Russia has no plans at this stage for making contributions to the NAB. The IMF said a working meeting of initial signatories of the arrangement and the group of "other countries" — Argentina, Brazil, India, China, Mexico, Russia, Turkey and South Africa — was held at the IMF headquarters. Takeiko Nakao, the chair of the NAB mechanism, indicated that some of the "other countries" had voiced readiness to consider participation in it.[57] (April 25, 2009, *ITAR-TASS World Service*)

Brazil will increase its intended financing to the IMF, becoming a creditor for the first time in decades, finance minister Guido Mantega said. Brazil will make up to $4.5 billion available to the IMF, on top of the $10 billion it already pledged at a G20 meeting in London at the beginning of April, Mantega said. It is unlikely the IMF will draw on the entire amount. Mantega said Brazil had been selected as a member of the IMF's financial transaction plan, or the mechanism through which the fund finances its loan operations. "I'm accepting the invitation from the fund," Mantega said, adding the move shows the finances of Brazil are strong. Several years of robust growth and austere fiscal discipline allowed Brazil to pay off its debt to the IMF in 2005 and become a net foreign creditor in recent years. President Luiz Inacio Lula da Silva has boasted in recent months that despite the financial crisis, Brazil did not require loans from the IMF and was instead in a position to lend it money. Brazil's inclusion in the IMF's financial transaction plan is likely to be made official by the end of the month. The move would not affect Brazil's international reserves but only its make-up, since the country would use part of its reserves to acquire the IMF's SDRs.[58] (April 9, 2009, *Reuters News*)

[55] *Kyodo News* (April 25, 2009), "IMF wins strong support to revamp capacity in time of crisis."
[56] *Agence France Presse* (April 23, 2009), "G7, G20 meet Friday to 'follow-up' on London summit."
[57] *ITAR-TASS World Service* (April 25, 2009), "Russia has no plans for contributing to IMF's new borrowing scheme now."
[58] *Reuters News* (April 9, 2009), "Brazil beefs up pledges to IMF-finmin."

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The IMF is considering various options on how to issue the $250 billion in SDRs to member countries as agreed to by the G20 in an effort to boost global liquidity. It is unlikely that a vote by the fund's membership on the SDR allocation will be ready by the IMF spring meetings, the first gathering of IMF members since the G20 summit in London. A proposal will require 85% majority approval by the IMF's board of governors. "We are working intensively on getting papers ready ... to look at options for how to do the SDR allocation and when to do it," an IMF spokesperson said. "I can't give you a date for when we expect it to be completed but we're hopeful that it won't be too long." "I suspect that these things will take a little longer than two weeks to put together ... but there is clearly a lot of momentum to move quickly."[59] (April 9, 2009, *Reuters News*)

India may contribute between $10 billion and $11 billion to the IMF, as part of the $500 billion that the institution is raising from the G20 for lending to crisis-stricken countries. A decision may be taken in a few days, department of economic affairs secretary Ashok Chawla said. The G20 decided that they would provide fresh funds to IMF, so that it can triple its $250 billion available for lending to needy countries. Japan and the EU have already committed $100 billion each while China has committed $40 billion, as the IMF seeks to inject cash into the world economy and help it tide over its sharpest decline in decades. "We are willing to contribute to the pool of funds in proportion to our quota. Should IMF require, we can lend it around $10-11 billion for which interest would be paid. A decision on this will be formally communicated to IMF at its spring meeting later this month," Chawla said. India, however, has no plans to borrow from IMF at the moment. The IMF will also get another $250 billion in SDRs, an overdraft facility for its 185 members. India has no requirement for assistance. To enhance the voice of emerging markets and developing countries in IMF, the G20 also urged accelerated review of IMF's quotas.[60] (April 9, 2009, *The Economic Times*)

Trade

U.S. president Barack Obama said that he agreed with South Korea on the need to fight trade protectionism as major economies collaborate in their efforts to aid the battered world economy. "Earlier this year in London we agreed upon bold and sustained actions to jump-start growth and prevent a crisis like this from ever happening again," Obama said. "Today we reaffirmed this effort, as well as our commitment to resist protectionism, and continue our close collaboration in the run-up to the next meeting of the G20 in Pittsburg."[61] (June 16, 2009, *Reuters News*)

India's trade minister Anand Sharma said that "the impasse has been broken" over the WTO's long-running Doha round. While Sharma did not give a timeline for the talks to conclude, he said both the U.S. and India had emerged ready to reach an agreement. "India is keen that the WTO negotiations resume. It is important in the present economic climate that efforts are made to take the Doha process to its successful conclusion.

[59] *Reuters News* (April 9, 2009), "IMF considers options on G20 SDR plan-spokeswoman."
[60] *The Economic Times* (April 9, 2009), "India may contribute $11 bn to International Monetary Fund crisis kitty."
[61] *Reuters News* (June 16, 2009), "Obama says committed to fight trade protectionism."

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...There is much happening now. The impasse has been broken." Trade ministers came close in July 2008 to a deal on the Doha round of talks, but the talks collapsed over a dispute between Washington and emerging economies spearheaded by India over proposals to help farmers in poor nations. The Cairns Group, 19 nations accounting for more than 25% of the world's agricultural exports, said last week that trade officials from the U.S., Europe and India had shown fresh resolve to conclude the Doha talks launched in 2001. "Well, we have declared our commitment. Why should India not want it? But a solution which is taking care of the legitimate aspirations of the developing countries ... This assumption that it was India which was an obstacle that may not be true at all because there are other issues on which convergence did not take place ... But that is behind us. What is more important is the positive engagement and the initiative of India at Cairns which has broken the logjam." Sharma said India's offer to host a G20 summit would help define a roadmap to draw the WTO talks to a conclusion.[62] (June 15, 2009, *Reuters News*)

So far, nations are keeping tolerably to the undertakings given at the G20 summit to avoid protectionism. There have been piecemeal measures, ranging from the "buy American" requirements in the U.S. stimulus package, to the recent exchange of subsidies to the dairy industries of the U.S. and Europe. Many argue that the support given to motor industries around the world is tantamount to protection. The effect on trade volumes of such measures, however, is tiny compared with the devastation caused by the global financial crisis.[63] (June 15, 2009, *The Australian*)

Britain launched the Global Trade Alert website that will give live updates on global protectionism to foster free trade and help the world economy recover. British business secretary Peter Mandelson said the site would act as a watchdog to deter governments from protectionist measures that he warned would only make the recession "longer and more painful." He added, "there is a lot to be said for peer pressure … [The] trading system faces a huge crisis of demand and of credit, but the real long-term risk to its health lies in protectionism." The website, run by a London-based economic think tank, will gather evidence of new tariffs, as well as non-tariff barriers and emergency steps taken in response to the downturn. Mandelson also reiterated calls for ministers to revive the Doha round of talks to help poor countries prosper through trade.[64] (June 8, 2009, *Reuters News*)

Japan and China pledged to promote recovery in the slumping world economy and called for an early conclusion to global trade liberalization negotiations, Japanese foreign minister Hirofumi Nakasone and Chinese vice premier Wang Qishan said after a one-day meeting in Tokyo. "In the current context of the grim challenges posed by the ever spreading international financial crisis, it is necessary for China and Japan to vigorously follow through the consensus of the G20 summit in Washington and London, and adopt more effective measures so as to ensure financial market stability while helping our respective national [economies] and the global economy to resume growth," Wang said.

[62] *Reuters News* (June 15, 2009), "India says Doha trade 'impasse' broken."
[63] *The Australian* (June 15, 2009), "Plunging world trade casts doubts on early recovery."
[64] *Reuters News* (June 8, 2009), "Britain launches anti-protectionism trade website."

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Asia's two economic giants agreed to establish for the first time a working group to consider creating a legal framework and enforcing crackdowns to curb violations of intellectual property rights, according to a memorandum signed earlier in the day by the two trade ministers.[65] (June 7, 2009, *Kyodo News*)

The new chief trade negotiators for India and the U.S. will renew attempts to narrow their differences on the Doha round. Commerce and industry minister Anand Sharma met new U.S. trade representative Ron Kirk at Bali in Indonesia on June 6-7, on the sidelines of the meeting of the Cairns Group of farm product–exporting countries. Sharma said they would discuss issues of common economic interest, including areas of differences between developed and developing countries that have stalled the conclusion of the Doha round. He said it is important that India remains committed to completing the Doha negotiations. The two countries have serious differences on the level of protection that can be given to farmers as and when the global market for farm products is opened up. India has argued all along that it cannot compromise on food security and livelihood concerns. India and Brazil have been spearheading the cause of developing countries in the WTO talks under the G20. Sharma said the drafts put out by the negotiating groups on agriculture and industrial goods can be starting points for discussions.[66] (June 3, 2009, *Rediff News*)

Conditions are deteriorating for the world's developing countries just as economic indicators in richer countries indicate the worst of the global recession is over. The financial crisis is unfolding differently in poorer parts of the world. In the U.S. and Europe, the recession started in the banking sector and spread to the real economy. In developing countries, the collapse of global trade is crushing growth prospects, which is hurting their banks because clients are defaulting on loans. The World Bank's trade finance fund is still short of the G20's goals by about $US 1.5 billion, according to World Bank president Robert Zoellick. He would like to raise pledges of about $5 billion to finance trade worth $50 billion over the next three years.[67] (June 8, 2009, *Globe and Mail*)

U.S. government plans to reintroduce dairy export subsidies are a "serious backward step" towards protectionism and could lead to other countries following suit. Some feel that the move to reinstate dairy export subsidies goes against the G20 leaders' pledge not to impose protectionist measures. [68] (May 23, 2009, *Australian Associated Press General*)

The EU and China called for an early and successful conclusion of the Doha round, and pledged their commitment to closer cooperation to keep trade and investment flowing.[69] (May 18, 2009, *Main Report*)

[65] *Kyodo News* (June 7, 2009), "Japan, China vow to promote world economic recovery."
[66] *Rediff News* (June 3, 2009), "WTO: India. US to narrow differences."
[67] *The Globe and Mail* (June 8, 2009), "Poor nations desperate for cash: World Bank."
[68] *Australian Associated Press General* (May 23, 2009), "Fed: US dairy export subsidy 'backwards step', govt says."

[69] *The Main Report* (May 18, 2009), "EU and China call for Doha deal."

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India has filed 42 anti-dumping complaints at the WTO, the most by any country. Of these, 17 were against China. While India imposed the most import barriers, other G20 members that did so were Argentina, Australia, Brazil, Canada, the EU and its member-states, South Korea, Turkey and the U.S. China's exporters are the dominant target for these newly imposed import restrictions, facing new barriers in more than 70% of the cases.[70] (May 17, 2009, *The Statesman*)

At the ASEAN economic ministers meeting in Cambodia, ministers called for a system on how to evaluate how well countries are fulfilling their trade commitments. The group also stated concerns over tightening credit supply for exporters, with some members volunteering to make representations at the G20 to hasten the release of the promised fund for trade finance.[71] (May 7, 2009, *Business World Publishing Corporation*)

World Bank president Robert Zoellick expressed concern that the G20 continue to restrict trade flows despite vowing to resist protectionist polices. Since the April 2 G20 summit, nine of the countries have already either taken or considered 23 restrictive measures, he said. "As the recession depends, leaders will be under pressure to protect home markets," Zoellick said. "Such retreats behind barriers will only make the economic crisis worse."[72] (April 23, 2009, *Dow Jones News Service*)

The G20 reiterated their anti-protectionism pledge at the London summit, but whether they keep this promise remains to be seen.[73] (April 5, 2009, *Associated Press Newswire*)

Energy and Climate Change

About US$400 billion — 15% of the entire G20's stimulus package — will be used to cut global greenhouse gas emissions. Some countries are allocating up to 80% of their stimulus spending on green economic initiatives. China is the biggest spender on a per-capita basis, investing US$200 billion. In the U.S., Barack Obama wants to establish a cap-and-trade system.[74] (June 2, 2009, *National Post*)

The amount allocated of the multi-trillion dollar economic stimulus to renewable energy falls far short of the investment needed to meet carbon emissions targets, said Nobuo Tanak, executive director of the International Energy Agency (IEA). The IEA estimates that only about $20 billion out of a total of $2.6 trillion in economic aid announced in the economic crisis by the G20 countries will go to renewable power, with only $100 billion or 5% for the wider goal of cleaner and more efficient energy use. "The current stimulus packages are an important step," said Tanaka. "But they are insufficient to get us over the line to a cleaner more sustainable energy future ... The IEA is therefore calling for

[70] *The Statesman* (May 17, 2009), "The Statesman (India): India faces Chinese dumping threat."
[71] *Business World Publishing Corporation* (May 7, 2009), "ASEAN to monitor members' commitments."
[72] *Dow Jones News Service* (April 23, 2009), "World Bank Pres: G20 Nations Continuing Trade Restrictions."
[73] *Associated Press Newswire* (April 5, 2009), "Britain urges G20 to adhere to summit pledges."
[74] *National Post* (June 2, 2009), "Keeping ahead of the green curve."

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governments worldwide to truly embrace a new clean energy deal and coal has a place within that deal." Tanaka said that renewable power generation, including large hydropower plants, had to more than double its share in total electricity supply to 40% by 2030 to help keep carbon dioxide levels in the atmosphere below 450 parts per million (ppm) by 2030, a level generally considered low enough to keep global warming to a manageable 2 degrees Celsius. "This renewable energy increase is huge because to achieve this level we have to build about 18,000 wind turbines every year from now to 2030, or 50 hydro plants every year, or 300 solar concentrating power plants every year … To achieve the necessary level of the 450 ppm scenario this is not enough, we have to increase by six times this amount." Tanaka said a four-fold increase in investment to $400 billion would be needed in the wider drive to limit emissions through energy efficiency improvements and cleaner energy — including carbon capture and storage to bury climate warming gases produced when burning coal, gas or oil. But with the IEA estimating renewable energy investment will drop by about 38% in 2009 compared to 2008 because of the economic crisis, government stimulus plans are crucial to ensuring the success of the global warming fight. "The current economic and financial crisis is really having a significant impact on these low carbon technologies and investment." He said almost 60% of the carbon cuts in non-OECD countries should come from energy efficiency improvements, while OECD countries should aim to get 54% of their 2030 target cuts by using energy more efficiently.[75] (June 1, 2009, *Reuters News*)

Unemployment

The IMF does not expect unemployment to start declining in wealthy countries until "well into next year" — depending on governments making significant progress in cleaning up bank balance sheets. The recent rise in bond market interest rates is a positive sign for the global economy, and governments must begin planning to reduce the justifiably large budget deficits that will be created by their recession-fighting efforts. "Economic data may indicate that GDP has stopped contracting and started increasing," said the IMF's John Lipsky, but confidence will not be restored until people "can stop worrying about losing their jobs." The IMF expects the global recession to end next year, but unemployment tends to rise for some time after because it takes time for employers to resume hiring. Lipsky does not believe the rise in U.S. government bond yields indicates a worrisome rise in inflation. Some analysts fear inflation could prompt a rise in interest rates large enough to choke off a recovery. In April, the IMF forecasted a weak recovery next year of 1.9% globally and zero growth in wealthy countries. It plans to update its forecasts in early July, but Lipsky said that the broad assessment has not changed substantially. The tepid recovery should keep inflation in check. Earlier this year, the IMF pushed the G20 to lift fiscal spending by 2% of GDP in 2009 and 2010. The G20 is now on line to hit the target for 2009, although not for 2010. The IMF is now arguing that the 2% additional stimulus may not be necessary for 2010 because spending that kicks in

[75] *Reuters News* (June 1, 2009), "G20 renewable energy aid not enough-IEA."

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when an economy contracts is likely to be greater than anticipated.[76] (June 1, 2009, *The Wall Street Journal*)

Developing Countries

The World Bank is running out of funds to lend to poor countries. "If the demand for our lending stays at the pace it looks like it is going to be at, it is more likely than not that we will need some sort of increase," World Bank president Robert Zoellick said. In April, Canada, Germany, the United States and others gave Zoellick the green light to max out the bank's reserves in order to make loans of up to US$100 billion over the next three years. Stephanie Rubec, a spokesperson for the Canadian finance department said the G20 "will continue to review the needs of the institutions in the coming months."[77] (June 8, 2009, *Globe and Mail*)

Barack Obama's initiative to shore up the developing world through a global fund, the cornerstone of an international economy recovery effort begun last month, is meeting with resistance in Congress.[78] (May 23, 2009, *Los Angeles Times*)

World Bank president Robert Zoellick said there would be a sharp slowdown in economic growth in the developing world this year, putting more poor people at risk, and the G20 must not shrink from combining ideas and actions to restore confidence in the world economy. Zoellick said many of the immediate challenges of the crisis could be addressed if the G20 reformed and empowered existing international institutions to help resist protectionism, evaluate the effectiveness of stimulus packages, and monitor banking reforms. "This is not a moment for complacency. It is not a day for expressing false confidence that all has been done that can be done. It is not a time for narrow nationalist or even regional responses. The one certitude we can draw from events over the past year is our inability to predict what is to come, and how it may trigger other unexpected events," Zoellick said in his speech ahead of the G20 summit in London. Zoellick said new data from the World Bank showed that economic growth in developing countries would slow sharply to 2.1% in 2009, more than a 3 percentage point decline from the previous year. Growth would actually decline in Central and Eastern Europe, Central Asia, and Latin America and the Caribbean. An estimated 53 million more people would be trapped in poverty this year, subsisting on less than $1.25/day, because of the crisis. The world economy would contract by 1.7% this year compared to growth of 1.9% in 2008 — the first global decline since World War II. Global trade in goods and services would fall 6% this year, the largest decline in 80 years. Poor people in developing countries had far less of a cushion to protect them against the effects of the crisis. "In London, Washington, and Paris people talk of bonuses or no bonuses. In parts of Africa, South Asia, and Latin America, the struggle is for food or no food," Zoellick said. Citing World Bank initiatives in microfinance, infrastructure and bank capitalizations, Zoellick said it was important for governments, international institutions, civil society, and the private sector to mobilize resources and constantly innovate. As an example of the World

[76] *The Wall Street Journal* (June 1, 2009), "IMF Expects Jobs to Trail GDP Growth."
[77] *The Globe and Mail* (June 8, 2009), "Poor nations desperate for cash: World Bank."
[78] *Los Angeles Times* (May 23, 2009), "Obama's IMF pledge meets congressional resistance."

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Bank's latest innovation, Zoellick said he hoped the G20 would endorse a new $50 billion Global Trade Liquidity Program. The program combines a $1 billion investment from the World Bank with financing from governments and regional development banks. These public funds can be leveraged by a risk-sharing arrangement with major private sector partners. "G20 backing will help us gain more momentum, thereby increasing support," Zoellick said. "Isn't it time to institutionalize support for the most vulnerable during crises, especially those not of their own making?" said Zoellick, who has proposed that developed countries allocate 0.7% of their stimulus packages to a Vulnerability Fund for developing countries. "A commitment to put in place structures to support and fund safety nets for those most at risk would go a long way to show that this G-group will not endorse a two tier world — with summits for financial systems, and silence for the poor." "We have seen over the last six decades how markets can lift hundreds of millions of people out of poverty while expanding freedom. But we have also seen how unfettered greed and recklessness can squander those very gains." "For the 21st Century, we need market economies with a human face. Human market economies must recognize their responsibility to the individual and society."[79] (April 9, 2009, *US Fed News*)

3. Participants

Saudi Arabian finance minister Ibrahim al-Assaf said his country hopes to gain more influence in the global financial system as it builds oil output capacity despite the global recession and amid possible revisions of IMF quotas. With its cash cushion and as oil prices recover to above $60 a barrel, Saudi Arabia is positioned to take a bigger role in the global financial scene as industrialised economies suffer from the worst economic crisis since the 1930s. The IMF is negotiating a quota increase under which big emerging market economies are expected to have greater voting power to reflect their rising clout in the global economy. "The quota will be reviewed," said Assaf. "We do not know what the outcome will be. There are so many demands in this. Each country thinks it has more legitimate right to increase its quota." Countries are expected to tie new financial contributions with demands for greater say in the decision-making process at the IMF board. Saudi Arabia now contributes 3.21% of total IMF capital through its quota and has 3.16% of the total votes, according to the IMF website. "We have been active in the international financial institutions but we will be even more active. We will be more dominant … We have been proactive. With more resources behind us we will be even more influential in the global financial structure." Saudi Arabia is continuing to invest in upstream and downstream oil projects despite its large excess capacity at present, the minister added. "Not many countries or for that matter multinational companies are having any meaningful investments at this moment ... Come the time when the world economy picks up, we will be ready for that and we will be one of the few countries that can provide the world with the needed supply of oil."[80] (June 1, 2009, *Manila Standard*)

[79] *US Fed News* (April 9, 2009), "Crisis Hurting Developing World, G20 Must Restore Confidence-Zoellick."
[80] *Manila Standard* (June 1, 2009), "Arroyo confident on economic growth."

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Finnish prime minister Matti Vanhanen said that the Nordic countries "should have a place" in the G20. Vanhanen put forward the initiative at a meeting of the governments of Finland and Sweden. "Depending on how it is calculated, we would figure among the 15 biggest players." The Nordic G20 alliance would include Finland, Sweden, Denmark, Norway and Iceland.[81] (May 16, 2009, *BBC News*)

Spain should be part of the G20 group as it is one of the world's 20 biggest economies, French president Nicolas Sarkozy said. He "considers it totally unfair" that Spain is not a full member of the G20. Spanish prime minister José Luis Zapatero repeatedly has called for Spain to become a member of the G20. Spain has been to both G20 summits, but so far has not been invited to the third.[82] (April 28, 2009, *Dow Jones Newswire*)

Official List of Participants from the London Summit, April 1-2, 2009

- 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
- 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

[81] *BBC News* (May 16, 2009), "Finish government calls for Nordic membership in G-20."
[82] *Dow Jones Newswire* (April 28, 2009), "Sarkozy: Spain Should Be Part of G20 Group."

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- 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[83] (March 30, 2009, *London Summit 2009 website*)

4. Implementation and Preparations

Implementation

Sarkozy said a renewed financial system should reward entrepreneurs and that it was up to the G20 to follow up on the decisions they took in Washington and London in recent months. "Everything has to be reviewed," he insisted, including "prudential oversight of banks, regulation of hedge funds, accounting rules and remuneration methods" — all steps advocated by the G20. Sarkozy's comments were echoed by Brazilian President Luiz Inacio Lula da Silva as well.[84] (June 15, 2009, *MSN News*)

At the beginning of June, U.S. president Barack Obama and UK prime minister Gordon Brown spoke over the phone about change to financial institutions and the upcoming G8 and G20 summits.[85] (June 5, 2009, *Associated Press Newswires*)

With regard to implementing commitments made at the April London Summit, the results have been called "middle of the road." In some areas, members have taken steps forward, but in others they have been less successful. The IMF has said that almost all G20 countries have implemented the appropriate 2.0% of GDP for stimulus. Most central banks have slashed their interest rates, with some very near zero. However, many of the G20 countries continue to fail to meet their anti-protectionist pledges. The Doha round remains at a standstill. And so far there are no reports of the $250 billion for trade finance being mobilized. On the plus side, individual jurisdictions are drafting rules to put G20 regulatory pledges into action. The EU is adopting a draft law on the regulation of hedge funds. The United States and the EU have both taken steps to standardize over-the-counter credit derivatives and central clearing of contracts and colleges of supervisors are to be all to be in place by the end of June.[86] (June 5, 2009, *Reuters News*)

The EU and China reiterated their desire to adhere to the conclusions of the G20 London Summit, particularly highlighting the message that economic openness is vital to recover from the financial and economic crisis.[87] (May 18, 2009, *Main Report*)

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

84 *MSN News* (June 15, 2009), "French president demands stronger role for UN labour agency."

85 *Associated Press Newswires* (June 5, 2009), "Obama, Brown speak by telephone, plan to meet Saturday at D-Day event."

86 *Reuters News* (June 5, 2009), "SCORECARD-How is G20 doing on pledges from London summit."

87 *The Main Report* (May 18, 2009), "EU and China call for Doha deal."

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The Basel Committee of Banking Supervision will come up with a revision for the Basel II standards within the year. "As the G20 called for revising the Basel II standards, the discussion for modifying the standard is going on at the committee," said William Coen, deputy secretary general. During the April summit, participants called for revision of the new accord, so that it allows banks to capitalize about 8% standard BIS ratio during good times in preparation for hard times to come. "We are working on developing indicators to decide when a good time or bad time is, including GDP and banks loan assets."[88] (May 15, 2009, *Korea Herald*)

The BIS, ECB and IMF jointly released the first part of the *Handbook on Securities Statistics,* which covers debt securities issues. The handbook is the first publication of its kind dealing exclusively with the conceptual framework for the compilation and presentation of securities statistics. As such, it directly addresses a recommendation of one of the G20 working groups concerning the need to fill data gaps and strengthen data collection.[89] (May 15, 2009, *The Asian Banker Interactive*)

"For economic reasons, and confidence-building reasons, we need all these countries — including Canada — to fulfil their commitments," Canadian finance minister Jim Flaherty said. "We need it to happen rapidly because we're in a time where there are some hopeful indicators but we want to keep those indicators improving and multiplying. This has been a good part of the conversation here this weekend — the need for rapid implementation of what has been decided already. A number of G7 and G20 members continued to "reaffirm their intentions" to move forward with their stimulus initiatives, but the need for fast action was repeatedly stressed during the April 24 meetings.[90] (April 26, 2009, Ottawa Citizen)

U.S. treasury secretary Geithner noted that at the G20 summit in London, the countries agreed to "taking whatever action is necessary to restore trend growth and deliver the scale of sustained effort necessary to do so." The U.S. is now asking the "IMF to provide a comprehensive report to its membership and the G20 in June, assessing the progress being made and whether further pressures are needed."[91] (April 25, 2009, *Agence France Presse*)

The heads of the major French banks have pledged to implement the initiatives undertaken by the G20 in London and to introduce new measures for further economic growth.[92] (April 13, 2009, *Global Banking News*)

[88] *The Korea Herald* (May 15, 2009), "Revised Basel II to come out this year."
[89] *The Asian Banker Interactive* (May 15, 2009), "BIS, ECB, IMF public Handbook on Securities Statistics."
[90] *Ottawa Citizen* (April 26, 2009), "'Rapid implementation' of stimulus needed for recovery: Flaherty: Finance minister issues warning at key G7, G20 meetings."
[91] *Agence France Presse* (April 25, 2009), "IMF needs money mow to help countries in crisis: US."
[92] *Global Banking News* (April 13, 2009), "French Banks pledge to abide by G20 accords."

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Preparatory Meetings

- April 24, 2009: G20 Finance Ministers and Central Bank Governors Meeting (Washington)
- June 12-13, 2009: G8 Finance Ministers and Central Bank Governors Meeting (Lecce, Italy)
- September 24-25, 2009: G20 Leaders Summit (Pittsburgh, Pennsylvania)
- November, 2009: G20 Finance Ministers and Central Bank Governors Meeting (Scotland)

Preparations

Cooperation in the response to the global financial crisis and the reform of international financial institutions was among top items on the agenda of the BRIC (Brazil, Russia, India and China) summit in Yekaterinburg, Russia. "The Yekaterinburg summit will discuss the interaction of BRIC member countries in the response to the global financial and economic crisis, in particular at the G20, the prospective reform of international financial institutions, global energy and food security, prevention of climate change and assistance to international development ahead of the G8 Italian summit of July 8-10," Russian presidential aide Sergei Prikhodko said.[93] (June 14, 2009, *ITAR-TASS World Service*)

The June 12-13 G8 finance ministers' meeting in Lecce will focus on the degree to which commitments made by the G20 are actually being fulfilled. "If we can confirm that things are on track for the G20, that would be an achievement for this meeting," an official said. Frictions may arise over how G8 members should plot their eventual "exit strategy" from fiscal and monetary stimulus. Foreign exchange rates and monetary policy are not expected to be discussed. And divisions are apparently appearing between members in implementing the regulatory pledges made back in April. The G20 agreed to centrally clear credit default swaps, but the U.S. wants to go further and push trading in over-the-counter derivatives onto platforms, a step that Europe has yet to take and which threatens to fragment the global market.[94] (June 5, 2009, *Reuters News*)

There may be many reasons why China is strengthening its relationship with Brazil, but one clear objective is a desire to enhance its voice in the G20.[95] (May 21, 2009, *Nikkei Report*)

British chancellor of the exchequer Alistair Darling pledged to further strengthen ties between London and Beijing at a Britain-China summit taking place in May. He said the two countries had to do more to push forward an agreement reached at the London

[93] *ITAR-TASS World Service* (June 14, 2009), "BRIC summit to focus on global crisis, reform of int'l financial institutinos."
[94] *Reuters News* (June 5, 2009), "PREVIEW-G8 crisis consensus may fade as economy recovers."
[95] *Nikkei Report* (May 21, 2009), "China Seeks Stronger Voice Among G20 in Forging Closer Ties With Brazil."

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Summit. "We must do more to seize the shared opportunities to learn, trade and invest." The two countries' first goal had to be to agree on actions to support economic growth, adding that is was "imperative that we take forward the agreement reach at last month's London summit … Our joint determination to respond to the downturn must go hand in hand with efforts to expand the many links between our economies. So we must make progress in financial markets … Future prosperity must be environmentally sustainable," he added, saying Britain could provide some expertise on green energy technology to Beijing. "Finally, we must do more to enhance trade links … The potential for both nations is enormous. We must seize the opportunities."[96] (May 10, 2009, *Agence France Presse*)

G20 finance ministers came together on April 24 and declared they may have turned a corner in the fight against the economic crisis. The G20 discussed how their countries were progressing on their London commitments. The debate between U.S. and European officials over whether more fiscal stimulus is needed has lessened since the April 2 G20 summit, though the U.S. continue to say that other countries need to do their part to support a global recovery. The G20 still needs to come up with a post-crisis exit strategy to deal with the increasing debt being built up. And the IMF has received commitments totaling $325 billion, all from advanced countries that plan to contribute to the existing facility.[97] (April 26, 2009, *Dow Jones Capital Markets Report*)

Planning commission deputy chairman Montek Singh Ahluwalia will represent India at the G20 meeting of finance ministers and central bank governors in Washington on April 24, to follow-up on the decisions taken at the London summit.[98] (April 17, 2009, *The Press Trust of India Limited*)

U.S treasury secretary Timothy Geithner will host a G20 finance ministers meeting in Washington on April 24. The ministers will discuss how to use the new IMF resources, allocated by their leaders at the G20 summit in London on April 1-2, most effectively.[99] (April 13, 2009, *Reuters News*)

5. Site

Pittsburgh has launched a new website addressing G20 issues ahead of the September summit. The city's new website <www.pittsburghg20.org> provides information about the summit itself, such as what countries participate, and phone numbers for city staff involved in planning. Obama has said Pittsburgh was chosen to host the summit because the city has a story of economic recovery to tell at a time when the global economy is fighting through a harsh recession. The White House has also said Pittsburgh is using the

[96] *Agence France Presse* (May 10, 2009), "British finance minister pledges stronger economic ties with China."
[97] *Dow Jones Capital Markets Report* (April 26, 2009), "Finance Leaders Hopeful On Econ; Little Progress On G20 Agenda."
[98] *The Press Trust of India Limited* (April 17, 2009), "Montek to represent India at G-20 Washington meet."
[99] *Reuters News* (April 13, 2009), "US's Geithner to host G7, G20 meetings April 24."

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new "green" economy to prosper and create jobs.[100] (June 16, 2009, *Associated Press Newswire*)

"At the conclusion of the meeting in London the [G20] had to make a decision about where the next summit would be," White House press secretary Robert Gibbs said. "Because a lot of people will be in our country for the U.N. General Assembly meeting, the President offered to host the next meeting; the group agreed with that, and we identified Pittsburgh as a good place to do that." "I think it's an area that has seen its share of economic woes in the past but because of foresight and investment is now renewed — giving birth to renewed industries that are creating the jobs of the future." "And I think the President believes it would be a good place to highlight some of that."[101] (June 4, 2009, *Charleston Gazette*)

The G20 will meet September 24-25, 2009 at the David L. Lawrence Convention Center in downtown Pittsburgh. The summit will assess how well their policies worked and what else must be done. Obama chose to host the summit in Pittsburgh because of the region's recovery since the steel industry's collapse, his press secretary said. "It's an area that has seen its share of economic woes in the past but, because of foresight and investment, is now giving birth to renewed industries that are creating the jobs of the future."[102] (June 1, 2009, *Daily Monitor*)

Unprecedented security preparations likely will transform the streets of downtown Pittsburgh during the G20. Mayor Luke Ravenstahl said he knows the G20 poses some security problems likely to be felt by Pittsburghers. "It will be an inconvenience in some ways," he said. "But it's an opportunity for the residents of this city to experience something they've never seen before." The federal government may designate the event as a "National Special Security Event," so the Secret Service would take the lead for planning security. "Our job is to be as unobtrusive as possible for people who live and work in Pittsburgh," said Special Agent Jim Mackin, an agency representative in Washington DC. Much of the organizing will take place in the agency's Pittsburgh office, headed by Special Agent in Charge Jim Gehr. According to Michael Huss, Pittsburgh's public safety director, "the security for this event is similar to others. The basic principles are the same. It's just a lot more high profile and international. We will have a plan to deal with it." The city will have to make new purchases, including sizeable quantities of tear gas. Federal money will cover some of the costs of equipment and overtime pay for many officers. "Obviously our emergency operations center, county police and sheriff will all work with the federal government," said county spokesman Kevin Evanto. The task force has already worked on other major events, such as the 2006 baseball All-Star game. Local police have tested their crowd control skills after the recent Super Bowl. Authorities are also studying the G20 London Summit, when thousands of demonstrators clashed with some of the estimated 10,000 police assigned to the meeting. British police received heavy criticism for their handling of the protests, including the practice of

[100] *Associated Press Newswire* (June 16, 2009), "Pittsburgh launches G-20 Web site before hosting 19 world leaders for the September summit."
[101] *Charleston Gazette* (June 4, 2009), "Pittsburgh will be in world spotlight for G-20 Summit."
[102] *Daily Monitor* (June 1, 2009), "World leaders come to Pittsburgh to assess global economic situation."

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“kettling,” or keeping large groups of people confined in one area for hours at a time.[103] (May 31, 2009, *Pittsburgh Post-Gazette*)

The G20 leaders were originally planning to meet in New York in September 2009, but a gathering at the UN around the same time apparently made it imperative to find an alternative location. The meeting will take place on September 24-25. “The President and the White House have really been impressed with Pittsburgh in a couple of respects. One is the economic transformation of Pittsburgh — how we measure up in a global economy,” said Yarone Zober, chief of staff for the mayor. “When we showed [the U.S. federal government] the convention center, they were very impressed with it.” Zober says big blocks of rooms have already been reserved at all the major hotels to accommodate the thousands who will be part of the summit and the international media covering the event.[104] (May 28, 2009, *KDKA News*)

British tax payers will have to pay £500,000 bill for the G20 summit. A series of dinners added up to more than £66,000, with wine worth £6,000. It cost another £435,000 for officials, staff, security workers and interpreters.[105] (May 8, 2009, *Daily Star*)

6. Civil Society

Asia’s power is likely to grow in the wake of the global financial crisis and the region has the chance to take a position of leadership in the world economy, business and economic leaders said. The comments came at the annual World Economic Forum on East Asia, a gathering of business and government leaders taking place this year in Seoul. “There is no doubt that the crisis has accelerated the shift in economic power from the West towards Asia,” Peter Sands, group CEO of Standard Chartered Bank, told a symposium. “And Asia in a sense needs to step up now and play the role that such power brings.” He said that entails taking a much more active role in international institutions such as the IMF and World Bank, a development he said is “in progress.” Asia’s role in the G20 major industrialized and developing economies was also a theme of discussion.[106] (June 18, 2009, *Associated Press Newswires*)

The Bail Out the People Movement is planning to hold mass protests at the G20 summit in Pittsburgh. “The purpose of these high-level meetings of governments and bankers is not to rescue the people of the world from depression level unemployment, evictions, homelessness, poverty, social and economic inequality and war. These summits are about fixing the economic and financial order that puts profits before people,” the group said.[107] (June 4, 2009, *Inter Press Service*)

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[103] *Pittsburgh Post-Gazette* (May 31, 2009), “
[104] *KDKA News* (May 28, 2009), “Pittsburg To Host Next G20 Summit.”G-20 is Often a Magnet for Protests.”
[105] *Daily Star* (May 8, 2009), “You Pay £500,000 for G20’s Booze and Food.”
[106] *Associated Press Newswires* (June 18, 2009), “Financial crisis seen increasing Asia’s global role, business leaders say.”
[107] *Inter Press Service* (June 4, 2009), “Politics: Developing Countries Fight for Say at UN Crisis Meeting.”

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"[The G20] stands for chaos and it stands for economic destruction," said Leo Gerard, president of the United Steelworkers of America and a critic of what he sees as a widening economic imbalance growing out of the global policies put forward by many of the G20's leaders. "The G20, and prior to that the G8, whatever the G was, bought into what was euphemistically called the Washington consensus of deregulation, laissez-faire economics and I think that was the foundation of the economic collapse." Gerard participated in protests in the run-up to the London Summit. While his segment of the event was peaceful, other street demonstrations became violent. For Pittsburgh, it is uncertain which local groups might find cause to march; labour unions, anti-war and social justice groups such as the Thomas Merton Center and the Pittsburgh Organizing Committee have already signalled interest. Gerard would like to see representatives of organized labour invited inside the hall to address the G20. Locally, other groups are examining how to put their messages on the city's sidewalks. "You need to do an incredible amount of public education in advance," said Mel Packer, a member of the Merton Center. Mike Healey, an official with the left-leaning National Lawyers Guild, said he has been receiving e-mails from various groups seeking counsel on organizing demonstrations for the Pittsburgh Summit.[108] (May 31, 2009, *Pittsburgh Post-Gazette*)

Outside the World Bank and IMF headquarters in Washington DC, more than 100 demonstrators gathered for two days during the annual spring meeting. Protestors chanted: "IMF, tear it down! World Bank, tear it down!" They also held banners and signs that read "No Bailout. No Capitalism" and "Free People Not Trade." They said that by pledging more money to the IMF, wealthy countries were propping up a failed system. They said the IMF had given bad policy advice during past economic crises and the poorest countries were feeling the pain of a global financial meltdown they did not create. Anti-poverty advocates said some World Bank initiatives to help poor countries come with too many strings attached. "At least the door has been left open in some key areas and there is a commitment to frontload bank funding to low-income countries," said Oliver Buston, European director of ONE, which fights poverty and disease, especially in Africa. "Urgent action is now needed from the World Bank to protect the billion poorest people on the planet who had no part in creating the economic crisis but who will be hit the hardest."[109] (April 26, 2009, *Associated Press Newswires*)

Marita Hutjes, senior advisor at Oxfam International, an anti-poverty nongovernmental organization, condemned the annual spring World Bank/IMF meeting as "a wasted opportunity for poorer countries." She said, "More should have been done. The poorest countries are still waiting for the bailout they've been promised to survive this crisis." Protesters, estimated between 100 and 300 shouted and carried signs reading "Capitalism Is Crisis." According to police, seven people were arrested as they tried to stop the meetings from taking place inside — six for vandalism and one for assaulting a police officer."[110] (April 26, 2009, *Agence France Presse*)

[108] *Pittsburgh Post-Gazette* (May 31, 2009), "
[109] *Associated Press Newswires* (April 26, 2009), "World Bank: Nations should speed aid to poor."
[110] *Agence France Presse* (April 26, 2009), "IMF says time to talk crisis exit plans."

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The IMF is facing pressure from a coalition led by Bob Geldof to set aside more of the proceeds of a planned sale of its gold reserves to help Africa. Speaking at a press conference at the IMF spring meeting, Geldof said Africa had been left out of the G20 agreement at the London Summit and urged the IMF to find ways of devoting more resources to protect the poor from the credit crunch. "All those arguments the activists and the politicians had for many years about aid, or debt cancellation, we can lay them to rest, because we're all begging for aid," he said. "We just call it fiscal stimulus — and we're all begging for debt relief; we just call it disposing of toxic assets." At the G20 summit, leaders promised to set aside $1 billion from gold sales to help fund cheap loans for the poorest countries, but Geldof, together with Oxfam and U.S. charities, is calling on the IMF to set aside at least $5 billion. "This is a win-win," Hetty Kovach of Oxfam said. "The fund will get what is needed, but it should not be greedy, and ask for more," Finance ministers from the IMF's member countries will discuss the gold sales proposals this weekend.[111] (April 24, 2009, *The Guardian*)

A woman filmed being hit by a baton during protests at the G20 summit in London said the officer who attacked her used unnecessary violence and aggression. In a series of television interviews the woman said the policeman pushed her, struck her across the face and then hit her on the legs with a baton. A police officer from London's Metropolitan police was suspended after footage of the incident was made public on the website YouTube.[112] (April 18, 2009, *Reuters News*)

The police officer caught on film attacking a man during the G20 protests could face manslaughter charges after a second postmortem concluded that the man died from internal bleeding and not a heart attack. The victim's family said they had been "badly misled" by the police.[113] (April 18, 2009, *The Guardian*)

British police have suspended an officer who was filmed hitting a woman at a G20 protest. This is the second police officer to be suspended following the G20 demonstrations. About 4,000 people were present for the demonstrations.[114] (April 14, 2009, *Agence France Presse*)

The police said they would initiate an independent criminal investigation into the death of a man during the G20 summit protests, after an outcry over video footage showing an officer violently shoving him to the ground. The Independent Police Complaints Commission (IPCC) removed the City of London police from its role gathering evidence in the case, after the film showed its personnel were present when Ian Tomlinson was pushed over by an officer in Metropolitan police riot gear. The IPCC planned to perform a second post mortem examination on Tomlinson, who collapsed minutes after the footage was taken and later died, apparently of a heart attack. The video does not suggest Tomlinson was being aggressive, nor that there were any protesters near him behaving

[111] *The Guardian* (April 24,2009), "Geldof seeks $5bn gold windfall for Africa: IMF urged to set aside cash from sale of reserves Credit crunch is leading to crisis in developing world."
[112] *Reuters News* (April 18, 2009), "Protester accuses G20 policeman of violence."
[113] *The Guardian* (April 18, 2009), "Front: G20 death: now officer may face manslaughter charge: Ian Tomlinson 'died from internal bleeding': We were badly misled by police, say family."
[114] *Agence France Presse* (April 14, 2009), "British police in new row over G20 protests."

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violently. He was on his way home from his job as a newspaper vendor and was not involved in the demonstrations, which triggered criticism of the police after the event for alleged heavy-handedness.[115] (April 8, 2009, *Financial Times*)

6. Appendices

Working Groups

After the November G20 meeting in Washington, four working groups were established. ***Working Group 1, Enhancing Sound Regulation and Strengthening Transparency,*** co-chaired by Rakesh Mohan, deputy governor of the Reserve Bank of India, and Tiff Macklem, associate deputy minister, Canada's Ministry of Finance, monitors the implementation of actions already identified and makes recommendations to strengthen 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.[116] (February 9, 2009, *G20 Official Website*)

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.[117] (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.[118] (February 9, 2009, *G20 Official Website*)

Working Group 4, The World Bank and Other Multilateral Development Banks, co-chaired by Anggito Abimanyu, head of fiscal policy at the Indonesian Ministry of

[115] *Financial Times* (April 8, 2009), "Watchdog agrees to G20 death inquiry."
[116] *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>
[117] *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>
[118] *G20 Website* (Accessed February 9, 2009), "G20 Working Groups," Available from: <www.g20.org/about_working_groups.aspx>

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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.[119] (February 9, 2009, *G20 Official Website*)

G20 Leaders' Experience

(as of April 2009)

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[120]	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

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

[120] 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).

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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 Beunos Aires province and Santa Cruz province. She was first elected to the Senate in 1995, and in 1997 to the Chamber of Deputies. In 2001 she won a seat in the Senate again. Born on February 19, 1954, in La Plata, Buenos Aires, she studied law at the National University of La Plata. She and her husband were married in March 1975 and have two children.

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

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

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

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

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

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

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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. He was re-elected in May 2009. 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.

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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 Michaocán. He served as secretary of energy from 2003 to 2004. Born in Morelia, Michoacán, on August 18, 1962, he received his bachelor's degree in law from Escuela Libre de Derecho in Mexico City. He later received a master's degree in economics from the Instituto Tecnológico Autónomo de México as well as a master's degree in public administration from Harvard University. He and his wife, Margarita Zavala, have three children.

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

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

South Africa's Jacob Zuma became president of South Africa on May 9, 2009, succeeding Petrus Kgalema Motlanthe, who had held the position since September 2008. Zuma joined the ANC in 1958 and started serving in the National Executive committee of

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the African National Congress (ANC) in 1977. In 1994, Zuma was elected National Chair of the ANC and chair of the ANC in KwaZulu-Natal. He was re-elected to the latter position in 1996 and selected as the deputy president of the ANC in December 1997. Zuma was appointed executive deputy president of South Africa in 1999. He held that position until 2005 and was elected ANC president at the end of 2007. He was born April 12, 1949, in Inkandla, KwaZulu-Natal Province. He has three wives and several children.

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

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

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

The **United States' 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

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2006 he has been a member of the Chamber of Deputies. Born in 1956, Topolánek received his degree in mechanical engineering form the Brno University of Technology. He is separated from his wife, Pavla Toplánková, 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 April 2009)

Argentina

Polity	
Political party:	Frente para la Victoria (FV)/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:	-1.5% (Q1 2009); 0.7% (2009)
Composition by sector:	9.2%-agriculture; 34.1%-industry; 56.7%-services (2008 est.)
Central Bank interest rate:	NA
Official reserve assets:	$46,509.03 million (Mar. 2009)
Foreign currency reserves:	$44,071.50 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$8,567.77 million (Mar. 2009)
IMF reserve position:	$0.29 million (Mar. 2009)
Special Drawing Rights:	$479.85 million (Mar. 2009)
Gold:	$1,622.02 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$204.81 million (Mar. 2009)
Loans to nonbank residents:	$128.41 million (Mar. 2009)
Other reserve assets:	$2.15 million (Mar. 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	

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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 forecast)
Public debt:	48.5% of GDP (Q4 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.70 (6 May 2009); 3.18 (6 May 2008)
Economic aid-recipient:	$99.66 million (2005)
Debt-external:	$135.5 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$69.1 billion-at home; $26.81 billion-abroad (2008 est.)
Market value of publicly traded shares:	$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:	1,409,9 (7 May. 2009)
% change on 31 Dec. 2008:	+30.6 (local currency); +21.8 ($ terms)

Trade

Trade balance:	$13.6 billion (last 12 months, May. 2009)
Trade to GDP ratio:	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:	Australian Labour Party
Most recent election:	24 Nov 2007
Government:	Lower House — Majority; Upper House — Minority
Political system:	Parliamentary
Legislature:	Bicameral, elected House of Representatives, elected Senate
Capital:	Canberra
Official language:	English

Economy

Currency:	Australian dollar (A$)
GDP (real):	$1.069 trillion (2008 est.)
Predicted change:	-2.1% (Q1 2009); -0.7% (2009)
Composition by sector:	2.5%-agriculture; 26.4%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	3.00% (7 Apr. 2009)
Official reserve assets:	$32,529.26 million (Mar. 2009)
Foreign currency reserves:	$28,603.05 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$20,980.64 million (Mar. 2009)
IMF reserve position:	$628.38 million (Mar. 2009)
Special Drawing Rights:	$167.89 million (Mar. 2009)
Gold:	$2,352.93 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]

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Financial derivatives:	$-443.36 million (Mar. 2009)
Loans to nonbank residents:	$0.00 (Mar. 2009)
Other reserve assets:	$333.65 million (Mar. 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:	-3.3% of GDP (2009)
Public debt:	15.4% of GDP (2008 est.) [gross debt]
Exchange rates (per USD):	1.34 (6 May. 2009); 1.06 (6 May. 2008)
Economic aid-donor:	$2.9899 billion (2006-2007 expected) [ODA]
Debt-external:	$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:	3,840.1 (6 May. 2009)
% change on 31 Dec. 2008:	+4.9 (local currency); +11.2 ($ terms)

Trade

Trade balance:	$+5.2 billion (latest year, Mar. 2009)
Trade to GDP ratio:	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

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Official language:	Portuguese

Economy

Currency:	Real (R)
GDP (real):	$1.665 trillion (2008 est.)
Predicted change:	-13.6% (Q1 2009); -1.5% (2009)
Composition by sector:	5.5%-agriculture; 28.5%-industry; 66.0%-services (2008 est.)
Central Bank interest rate:	10.25% (29 Apr. 2009)
Official reserve assets:	$190,387.84 million (Mar. 2009)
Foreign currency reserves:	$187,833.02 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$184,654.56 million (Mar. 2009)
IMF reserve position:	$0.38 million (Mar. 2009)
Special Drawing Rights:	$0.46 million (Mar.2009)
Gold:	$990.25 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.80 million (Mar. 2009)
Loans to nonbank residents:	$69.17 million (Mar. 2009)
Other reserve assets:	$1,493.77 million (Mar. 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:	$-23.0 billion (latest year, Mar. 2009)
Budget:	NA
Budget balance:	-2.0% of GDP (2009 est.)
Public debt:	40.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	2.12 (6 May 2009); 1.67 (6 May 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:	$1.377 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	56.7 (2005)
Unemployment rate:	8.5% (Feb. 2008)
Labour force:	100.9 million (2008 est.)

Markets

BVSP index:	51,499.0 (6 May 2009)
% change on 31 Dec. 2008:	+37.1 (local currency); +50.7 ($ terms)

Trade

Trade balance:	$27.0 billion (latest year, Apr. 2009)
Trade to GDP ratio:	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.)

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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); -2.3% (2009)
Composition by sector:	2.0%-agriculture; 28.4%-industry; 69.6%-services (2008 est.)
Central Bank interest rate:	0.25% (21 April. 2009)
Official reserve assets:	$43,524.00 million (Mar. 2009)
Foreign currency reserves:	$40,910.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$40,176.00 million (Mar. 2009)
IMF reserve position:	$1,550.00 million (Mar. 2009)
Special Drawing Rights:	$964.00 million (Mar. 2009)
Gold:	$100.00 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:	$0.00 (Mar. 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):	1.0 % (Jan. 2009 est.)
Investment (gross fixed):	22.6% of GDP (2008 est.)
Current account balance:	$11.3 billion (latest year, Q4 2008)
Budget:	$608.3 billion-revenues; $606.0 billion-expenditures (2008 est.)
Budget balance:	-2.5% of GDP (2009)
Public debt:	62.3% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.18 (6 May 2009); 1.02 (May 2008)
Economic aid-donor:	$ 4. 079 billion (2007) [ODA]
Debt-external:	$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)

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Unemployment rate:	8.0% (Mar. 2009)
Labour force:	18.18 million (2008 est.)

Markets

S&P TSX index:	10, 143.4 (May 2009)
% change on 31 Dec. 2008:	+12.9 (local currency); +18.5 ($ terms)

Trade

Trade balance:	$37.1 billion (latest year, Feb. 2009)
Trade to GDP ratio:	71.2 (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:	6.1% (Q1 2009); 6.5% (2009)
Composition by sector:	10.6%-agriculture; 49.2%-industry; 40.2%-services (2008 est.)
Central Bank interest rate:	5.31% (22 Dec. 2008)
Official reserve assets:	NA
Foreign currency reserves:	1, 953.7 billion (Mar. 2009)
Securities:	NA
IMF reserve position:	$1,286.78 million (Feb. 2009)
Special Drawing Rights:	NA
Gold:	$14,969.06 million (Nov. 2007)
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	5.58% (17 Dec. 2007)
Stock of money:	$2.30 trillion (31 Oct. 2008)
Stock of quasi money:	$4.331 trillion (31 Oct. 2008)
Stock of domestic credit:	$5.316 trillion (31 Oct. 2008)
Household income or consumption by % share:	1.6%-lowest 10%; 34.9%-highest 10% (2004)
Inflation rate (consumer prices):	6.0% (2008 est.)
Investment (gross fixed):	40.2% of GDP (2008 est.)
Current account balance:	$400.7 billion (latest year, Q2 2008)
Budget:	$868.6 billion-revenues; $850.5 billion-expenditures (2008 est.)

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Budget balance:	-3.5% of GDP (2009)
Public debt:	15.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	6.82 (May 2009); 6.99 (Mar. 2008)
Economic aid-recipient:	$1.331 billion (2007) [ODA]
Debt-external:	$420.8 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$758.9 billion-at home (2007 est.); $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:	2,721.4 (6 May 2009)
% change on 31 Dec. 2008:	+42.3 (local currency); +42.4 ($ terms)
SSEB index ($ terms):	168.6 (6 May. 2009)
% change on 31 Dec. 2008:	+52.0 (local currency); +52.0 ($ terms)

Trade

Trade balance:	$316.9 billion (latest year, Mar. 2009)
Trade to GDP ratio:	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:	1.0% (May. 2009) [European Monetary Union]
Official reserve assets:	$97,596.88 million (Mar. 2009)
Foreign currency reserves:	$21,741.28 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$18,603.25million (Mar. 2009)
IMF reserve position:	$2,484.60million (Mar. 2009)
Special Drawing Rights:	$ 939.54 million (Mar.2009)
Gold:	$72,431.45 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]

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Financial derivatives:	$0.00 (Mar. 2009)
Loans to nonbank residents:	$0.00 (Mar. 2009)
Other reserve assets:	$0.00 (Mar. 2009)
Commercial Bank prime lending rate:	6.6% (2008)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$5. 739 trillion (Apr. 2008)
Household income or consumption by % share:	3.0%-lowest 10%; 24.8%-highest 10% (2004)
Inflation rate (consumer prices):	1.0% (2008 est.)
Investment (gross fixed):	21 .0% of GDP (2008 est.)
Current account balance:	$-54.4 billion (latest year, Feb. 2009)
Budget:	$1.439 trillion-revenues; $1.525 trillion-expenditures (2008 est.)
Budget balance:	-6.6% of GDP (2009)
Public debt:	67.0% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (6 May 2009); 0.65 (May 2008)
Economic aid-donor:	$9. 883 billion (2007) [ODA]
Debt-external:	$5.37 trillion (30 Sept. 2008)
Stock of direct foreign investment:	$1.234 trillion-at home; $1.889 trillion-abroad (2008 est.)
Market value of publicly traded shares:	$2.771 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	32.7 (2008)
Unemployment rate:	8.8% (Nar. 2009)
Labour force:	28.5 million (2008 est.)

Markets

CAC 40 index:	3, 283.5 (Mar. 2009)
% change on 31 Dec. 2008:	+2.0 (local currency); -2.4 ($ terms)

Trade

Trade balance:	$-79.1 billion (latest year, Mar. 2009)
Trade to GDP ratio:	54.7 (2005-2007)
Exports:	$761.0 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:	$833.0 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

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Official language:	German

Economy

Currency:	Euro (€)
GDP (real):	$3.818 trillion (2008 est.)
Predicted change:	-1.7% (Q4 2008); -5.2% (2009)
Composition by sector:	0.9%-agriculture; 30.1%-industry; 69.0%-services (2008 est.)
Central Bank interest rate:	1.0% (May 2009) [European Monetary Union]
Official reserve assets:	$143,472.22 million (Mar. 2009)
Foreign currency reserves:	$38,087.50 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$33,598.71 million (Mar. 2009)
IMF reserve position:	$2,473.96 million (Mar. 2009)
Special Drawing Rights:	$2,135.93 (Mar. 2009)
Gold:	$100,776.16 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:	$0.00 (Mar. 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:	$206.2 billion (latest year, Feb. 2009)
Budget:	$1.614 trillion-revenues; $1.579 trillion-expenditures (2008 est.)
Budget balance:	-4.4% of GDP (2009)
Public debt:	62.6% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (May 2009); 0.65 (May. 2008)
Economic aid-donor:	$12. 290 billion (2007) [ODA]
Debt-external:	$4.489 trillion (30 Jun. 2007)
Stock of direct foreign investment:	$924.7 billion-at home; 1.36 trillion-abroad (2008 est.)
Market value of publicly traded shares:	$2.106 trillion (31 Dec. 2007)
Distribution of family income-Gini index:	27.0 (2006)
Unemployment rate:	8.1% (Mar. 2009)
Labour force:	43.62 million (2008 est.)

Markets

DAX index:	4,880.7 (6 May 2009) [total return index]
% change on 31 Dec. 2008:	+1.5 (local currency); -2.9 ($ terms)

Trade

Trade balance:	$234.6 billion (latest year, Feb. 2009)
Trade to GDP ratio:	83.6 (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.)

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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:	April-May 2009
Government:	Lower House — Majority (coalition); Upper House — Majority
Political system:	Parliamentary
Legislature:	Bicameral, elected Assembly, indirectly elected Council of States
Capital:	Delhi
Official language:	Hindi

Economy

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:	4.75% (21 Apr. 2009)
Official reserve assets:	$251,985.00 million (Mar. 2009)
Foreign currency reserves:	$241,426.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$134,792.00 million (Mar. 2009)
IMF reserve position:	$981.00 million (Mar. 2009)
Gold:	$9,577.00 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:	$0.00 (Mar. 2009)
Commercial Bank prime lending rate:	8.5% (31 Jan. 2009)
Stock of money:	$250.9 billion (31 Dec. 2007)
Stock of quasi money:	$647.3 billion (31 Dec. 2007)
Stock of domestic credit:	$769.3 billion (31 Dec. 2007)
Household income or consumption by % share:	3.6%-lowest 10%; 31.1%-highest 10% (2004)
Inflation rate (consumer prices):	7.8% (2008 est.)
Investment (gross fixed):	39% of GDP (2008 est.)
Current account balance:	$-37.5 billion (latest year, Q4 2008)
Budget:	$153.5 billion-revenues; $205.3 billion-expenditures (2008 est.)
Budget balance:	-7.7% of GDP (2009)
Public debt:	78.0% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	49.6 (7 May 2009); 41.4 (May. 2008)
Economic aid-recipient:	$903.19 million (2007)
Debt-external:	$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:	$650 billion (31 Dec. 2008)
Distribution of family income-Gini index:	36.8 (2004)
Unemployment rate:	6.8% (Dec. 2008)

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Labour force:	523.5 million (2008 est.)

Markets

BSE index:	11,952.8 (6 May 2009)
% change on 31 Dec. 2008:	+23.9 (local currency); +21.7 ($ terms)

Trade

Trade balance:	$-109.0 billion (latest year, Mar. 2009)
Trade to GDP ratio:	44.9 (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 Oct. 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):	$510.8 billion (2008 est.)
Predicted change:	5.2% (Q4 2008); -1.4% (2009)
Composition by sector:	13.5%-agriculture; 45.6%-industry; 40.8%-services (2008 est.)
Central Bank interest rate:	7.25% (May 2009)
Official reserve assets:	$54,840.18 million (Mar. 2009)
Foreign currency reserves:	$52,234.68 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$50,773.78 million (Mar. 2009)
IMF reserve position:	$216.80 (Mar. 2009)
Special Drawing Rights:	$32.08 million (Mar. 2009)
Gold:	$2,178.06 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:	$178.56 million (Mar. 2009)
Commercial Bank prime lending rate:	15.13% (31 Dec. 2007)
Stock of money:	$41.8 billion (31 Dec. 2007)
Stock of quasi money:	$120.0 billion (31 Dec. 2007)
Stock of domestic credit:	$134.8 billion (31 Dec. 2007)
Household income or consumption by % share:	3.6%-lowest 10%; 28.5%-highest 10% (2002)
Inflation rate (consumer prices):	11.1% (2008 est.)
Investment (gross fixed):	23.6% of GDP (2008 est.)
Current account balance:	$7.3 billion (latest year, Mar 2009)

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Budget:	$101.1 billion-revenues; $101.6 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):	10,410.0 (6 May 2009); 9,225.0 (May. 2008)
Economic aid-recipient:	$362.09 million (2007 est.) [ODA]
Debt-external:	$143.5 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$63.46 billion-at home; $4.277 billion-abroad (2008 est.)
Market value of publicly traded shares:	$111.5 billion (31 Dec. 2007)
Distribution of family income-Gini index:	39.4 (2005)
Unemployment rate:	8.4% (Aug. 2008)
Labour force:	112.0 million (2008 est.)

Markets

JSX index:	1,798.3 (6 May 2009)
% change on 31 Dec. 2008:	+32.7 (local currency); +38.9 ($ terms)

Trade

Trade balance:	$7.3 billion (latest year, Mar. 2009)
Trade to GDP ratio:	60.4 (2005-2007)
Exports:	$136.8 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:	$128.8 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); -4.0% (2009)
Composition by sector:	2.0%-agriculture; 26.7%-industry; 71.3%-services (2008 est.)
Central Bank interest rate:	1.0% (May 2009) [European Monetary Union]
Official reserve assets:	$108,905.54 million (Mar. 2009)
Foreign currency reserves:	$33,757.35 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$30,615.08 million (Mar. 2009)
IMF reserve position:	$1,716.91 million (Mar. 2009)
Special Drawing Rights:	$278.15 million (Mar. 2009)
Gold:	$73,153.12 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]

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Financial derivatives:	$0.00 (Mar. 2009)
Loans to nonbank residents:	$0.00 (Mar. 2009)
Other reserve assets:	$0.00 (Mar. 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:	$-72.9 billion (latest year, Feb. 2009)
Budget:	$1.139 trillion-revenues; $1.203 trillion-expenditures (2008 est.)
Budget balance:	-4.3% of GDP (2009)
Public debt:	103.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.75 (6 May 2009); 0.76 (May 2008)
Economic aid-donor:	$3. 970 billion (2007) [ODA]
Debt-external:	$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:	6.9% (Q4 2008)
Labour force:	25.09 million (2008 est.)

Markets

S&P/MIB index:	20,104.0 (6 May 2009)
% change on 31 Dec. 2008:	+3.3 (local currency); -1.2 ($ terms)

Trade

Trade balance:	$-15.7 billion (latest year, Feb. 2009)
Trade to GDP ratio:	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 with Constitutional Monarchy
Legislature:	Bicameral, elected House of Representatives, elected House of Councilors
Capital:	Tokyo

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Official language:	Japanese

Economy

Currency:	Yen (¥)
GDP (real):	$4.844 trillion (2008 est.)
Predicted change:	-4.3% (Q4 2008); -6.4% (2009)
Composition by sector:	1.4%-agriculture; 26.4%-industry; 72.1%-services (2008 est.)
Central Bank interest rate:	0.1% (19 Dec. 2008)
Official reserve assets:	$1,018.549 billion (Mar. 2009)
Foreign currency reserves:	$989,730.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$905,526.00 million (Mar. 2009)
IMF reserve position:	$2,954.00 million (Mar. 2009)
Special Drawing Rights:	$2,951.00 million (Mar. 2009)
Gold:	$22,548.00 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:	$366.00 million (Mar. 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:	$131.8 billion (latest year, Feb. 2009)
Budget:	$1.672 trillion-revenues; $1.823 trillion-expenditures (2008 est.)
Budget balance:	-6.3% of GDP (2009)
Public debt:	170.4% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	98.7 (6 May 2009); 105 (May 2008)
Economic aid-donor:	$7. 678 billion (2007) [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:	4.8% (Mar. 2009)
Labour force:	66.15 million (2008 est.)

Markets

Nikkei 225 index:	8,977.4 (6 May 2009)
% change on 31 Dec. 2008:	+1.3 (local currency); -7.0 ($ terms)
Topix index:	846.9 (6 May 2009)
% change on 31 Dec. 2008:	-1.4 (local currency); -9.5 ($ terms)

Trade

Trade balance:	$21.0 billion (latest year, Feb. 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

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	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. 143 trillion (2008 est.)
Predicted change:	-1.6% (Q4 2008); -4.4% (2009)
Composition by sector:	3.7%-agriculture; 34.1%-industry; 62.2%-services (2008 est.)
Central Bank interest rate:	6.0% (Apr. 2009)
Official reserve assets:	NA
Foreign currency reserves:	$88,867 million (Mar. 2009)
Securities:	NA
IMF reserve position:	$433.86 million (Feb. 2009)
Special Drawing Rights:	$496 million (Mar. 2009)
Gold:	175 million (Mar. 2009)
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	637 Million (Mar 2009)
Commercial Bank prime lending rate:	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:	$-17.2 billion (latest year, Mar. 2008)
Budget:	$256.7 billion-revenues; $256.8 billion-expenditures (2008 est.)
Budget balance:	-5.3% 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:	$78.95 million (2007)
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	

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income-Gini index:	47.9 (2006)
Unemployment rate:	4.8% (Mar. 2009 est.)
Labour force:	45.5 million (2008 est.)

Markets

IPC index:	23,906.1 (6 May 2009)
% change on 31 Dec. 2008:	+6.8 (local currency); +11.7 ($ 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):	$1.757 trillion (2008 est.)
Predicted change:	1.2% (Q4 2008); -3.0% (2009)
Composition by sector:	4.1%-agriculture; 41.1%-industry; 54.8%-services (2008 est.)
Central Bank interest rate:	12.0% (May 2009)
Official reserve assets:	$383,888.65 million (May 2009)
Foreign currency reserves:	$333,558.27 million (May 2009) [in convertible foreign currencies]
Securities:	$296,965.63 million (May 2009)
IMF reserve position:	$1,187.08 million (May 2009)
Special Drawing Rights:	$2.08 million (May 2009)
Gold:	$15,743.21 million (May 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (May 2009)
Loans to nonbank residents:	$0.00 (May 2009)
Other reserve assets:	33,398.02 million (May 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.)

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Current account balance:	$65.4 billion (latest year, Q1 2009)
Budget:	$383.5 billion-revenues; $273.5 billion-expenditures (2008 est.)
Budget balance:	-8.0% of GDP (2009)
Public debt:	6.8% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	32.8 (6 May 2009); 23.8 (May 2008)
Economic aid-recipient:	$982.7 million (FY 2006) [from U.S.]
Debt-external:	$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:	10.0% (Mar. 2009)
Labour force:	75.7 million (2008 est.)

Markets

RTS index ($ terms):	897.1 (6 May 2009)
% change on 31 Dec. 2008:	+52.7 (local currency); +42.0 ($ terms)

Trade

Trade balance:	$151.6 billion (latest year, Mar. 2009)
Trade to GDP ratio:	54.1 (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):	$467.7 billion (2008 est.)
Predicted change:	4.2% (2008); -1.0% (2009)
Composition by sector:	3.1%-agriculture; 61.6%-industry; 35.4%-services (2008 est.)
Central Bank interest rate:	2.0% (Jan. 2009)
Official reserve assets:	NA
Foreign currency reserves:	NA
Securities:	NA
IMF reserve position:	SDR 1,136.61 million (Feb. 2009)
Special Drawing Rights:	NA
Gold:	NA
Financial derivatives:	NA

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Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	NA
Stock of money:	$113.2 billion (31 Dec. 2008)
Stock of quasi money:	$134.3 billion (31 Dec. 2008)
Stock of domestic credit:	$66.94 billion (31 Dec. 2007)
Household income or consumption by % share:	NA
Inflation rate (consumer prices):	10.3% (2008 est.)
Investment (gross fixed):	19.5% of GDP (2008 est.)
Current account balance:	$124.0 billion (latest year, 2008)
Budget:	$293.0 billion-revenues; $136.0 billion-expenditures (2008 est.)
Budget balance:	-9.0% of GDP (2009)
Public debt:	13.5% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	3.75 (May 2009); 3.75 (May 2008)
Economic aid:	NA
Debt-external:	$63.2 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	NA
Market value of publicly traded shares:	$246.4 billion (31 December 2008)
Distribution of family income-Gini index:	NA
Unemployment rate:	8.8 (local bank estimate 2008; other estimates vary significantly)
Labour force:	6.74 million (2008 est.) [about 1/3 of the population aged 15-64 is non-national]

Markets

Tadawul index:	5,802.1 (6 May 2009)
% change on 31 Dec. 2008:	+20.8 (local currency); +20.9 ($ terms)

Trade

Trade balance:	$197.4 billion (latest year, 2008)
Trade to GDP ratio:	86.7 (2005-2007)
Exports:	$311.1 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:	$92.4 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:	22 April 2009
Government:	Lower House — Majority; Upper House — Majority
Political system:	Parliamentary
Legislature:	Bicameral, elected National Assembly, elected National Council of Provinces
Capital:	Pretoria
Official language:	Afrikaans, English

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Economy

Currency:	Rand (R)
GDP (real):	$300.4 billion (2008 est.)
Predicted change:	1.0% (Q4 2008); -1.8% (2009)
Composition by sector:	3.4%-agriculture; 31.3%-industry; 65.3%-services (2008 est.)
Central Bank interest rate:	8.5% (30 Apr. 2009)
Official reserve assets:	$34,108.00 million (Mar. 2009)
Foreign currency reserves:	$30,071.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$1,492.00 million (Mar. 2009)
IMF reserve position:	$0.00 (Mar. 2009)
Special Drawing Rights:	$332.00 million (Mar. 2009)
Gold:	$3,705.00 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:	$0.00 (Mar. 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:	-4.0% of GDP (2009)
Public debt:	29.9% of GDP (Jun. 2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	8.47 (May 2009); 7.52 (May 2008)
Economic aid-recipient:	$597.18 million (2007)
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:	23.5% (May 2008)
Labour force:	18.22 million (2008 est.) [economically active]

Markets

JSE AS index:	21,783.4 (6 May 2009)
% change on 31 Dec. 2008:	+1.3 (local currency); -10.6 ($ terms)

Trade

Trade balance:	$-7.4 billion (latest year, Mar. 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)

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South Korea

Polity

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

Economy

Currency:	Won (W)
GDP (real):	$857.5 billion (2008 est.)
Predicted change:	-4.3% (Q4 2009); -5.9% (2009)
Composition by sector:	3%-agriculture; 39.5%-industry; 57.6%-services (2008 est.)
Central Bank interest rate:	2.0% (Feb. 2009)
Official reserve assets:	$206,340.00 million (Mar. 2009)
Foreign currency reserves:	$206,427.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$183,891.00 million (Mar. 2009)
IMF reserve position:	$556.00 million (Mar. 2009)
Special Drawing Rights:	$84.00 million (Mar. 2009)
Gold:	$76.00 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (Mar. 2009)
Loans to nonbank residents:	$0.00 (Mar. 2008)
Other reserve assets:	$-803.00 million (Mar. 2009)
Commercial Bank prime lending rate:	7.0% (31 Dec. 2007)
Stock of money:	$80.66 billion (31 Dec. 2008)
Stock of quasi money:	$478.0 billion (31 Dec. 2008)
Stock of domestic credit:	$937 billion (31 Dec. 2008)
Household income or consumption by % share:	2.7%-lowest 10%; 24.2%-highest 10% (2007 est.)
Inflation rate (consumer prices):	4.6% (2008 est.)
Investment (gross fixed):	27.1% of GDP (2008 est.)
Current account balance:	$+7.4 billion (latest year, Mar.. 2009)
Budget:	$222.9 billion-revenues; $221.8 billion-expenditures (2008 est.)
Budget balance:	-6.5% of GDP (2009)
Public debt:	32.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1,277.0 (May 2009); 1,026 (May 2008)
Economic aid-donor:	$699.06 million (2007) [ODA]
Debt-external:	$250.4 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$103.7 billion-at home (2008 est.); $74.6 billion-abroad (30 June 2008)
Market value of publicly traded shares:	$623 billion (31 Dec. 2008)
Distribution of family income-Gini index:	31.3 (2006)
Unemployment rate:	3.7% (Mar. 2009)
Labour force:	24.35 million (2008 est.)

Markets

KOSPI index:	1,393.5 (6 May 2009)

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% change on 31 Dec. 2008:	+23.9 (local currency); +22.2 ($ terms)

Trade

Trade balance:	$+3.3 (latest year, Apr. 2009)
Trade to GDP ratio:	85.7 (2005-2007)
Exports:	$419.0 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:	$435.0 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:	-6.2.% (Q4 2008); -4.4% (2009)
Composition by sector:	8.5%-agriculture; 28.6%-industry; 62.9%-services (2008 est.)
Central Bank interest rate:	9.25% (15 May 2009)
Official reserve assets:	$70,587.52 million (Mar. 2009)
Foreign currency reserves:	$66,982.66 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$63,144.78 million (Mar. 2009)
IMF reserve position:	$168.00 million (Mar. 2009)
Special Drawing Rights:	$12.00 million (Mar. 2009)
Gold:	$3,424.86 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:	$0.00 (Mar. 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:	$-33.1 billion (latest year, Feb. 2009)
Budget:	$164.6 billion-revenues; $176.3 billion-expenditures (2008 est.)
Budget balance:	-4.4% of GDP (2009)
Public debt:	37.1% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	1.57 (6 May 2009); 1.25 (May 2008)
Economic aid-recipient:	$237.45 million (2007)

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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:	33,716.9 (6 May 2009)
% change on 31 Dec. 2008:	+25.5 (local currency); +23.6 ($ terms)

Trade

Trade balance:	$-58.1 billion (latest year, Mar. 2009)
Trade to GDP ratio:	48.5 (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:	-4.1% (Q1 2009); -3.7% (2009)
Composition by sector:	0.9%-agriculture; 22.8%-industry; 76.2%-services (2008 est.)
Central Bank interest rate:	0.5% (5 Mar. 2009)
Official reserve assets:	$20,881.92 million (Apr. 2009)
Foreign currency reserves:	$6,762.09 million (Apr. 2009) [in convertible foreign currencies]
Securities:	$6,463.74 million (Apr. 2009)
IMF reserve position:	$0.00 million (Apr. 2009)
Special Drawing Rights:	$0.00 million (Apr. 2009)
Gold:	$0.00 million (Apr. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$-3,407.95 million (Apr. 2009)
Loans to nonbank residents:	$0.00 (Feb. 2009)
Other reserve assets:	$14,079.51 million (Apr. 2009)
Commercial Bank prime lending rate:	5.52% (31 Dec. 2007)

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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:	$-44.6 billion (latest year, Q4 2008)
Budget:	$1.107 trillion-revenues; $1.242 trillion-expenditures (2008 est.)
Budget balance:	-12.3% of GDP (2009)
Public debt:	47.2% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.66 (7 May 2009); 0.51 (May 2008)
Economic aid-donor:	$9. 848 billion (2007) [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:	6.7% (Feb. 2009)
Labour force:	31.2 million (2008 est.)

Markets

FTSE 100 index:	4396.5 (6 May 2009)
% change on 31 Dec. 2008:	-0.8 (local currency); +3.8 ($ terms)

Trade

Trade balance:	$-163.1 billion (latest year, Feb. 2009)
Trade to GDP ratio:	57.7 (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:	-2.6% (Q1 2009); -2.9% (2009)
Composition by sector:	1.2%-agriculture; 19.6%-industry; 79.2%-services (2008 est.)

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Central Bank interest rate:	0.25% (16 Dec. 2008)
Official reserve assets:	$75,464.00 million (May. 2009)
Foreign currency reserves:	$39,306.00 million (May. 2009) [in convertible foreign currencies]
Securities:	$22,322.00 million (May. 2009)
IMF reserve position:	$8,217.00 million (May. 2009)
Special Drawing Rights:	$9,099.00 million (May. 2009)
Gold:	$11,041.00 million (May. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$0.00 (May. 2009)
Loans to nonbank residents:	$0.00 (May. 2009)
Other reserve assets:	$7,801.00 million (May. 2009)
Commercial Bank prime lending rate:	3.25% (31 Dec. 2007)
Stock of money:	$1.596 trillion (31 Dec. 2007)
Stock of quasi money:	$8.154 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:	$-761.0 billion (latest year, Q4 2008)
Budget:	$2.524 trillion-revenues; $2.979 trillion-expenditures (2008 est.)
Budget balance:	-13.1% 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:	$21. 786.9 billion (2007)
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:	8.5% (Mar. 2009)
Labour force:	155.2 million (2008 est.) [includes unemployed]

Markets

DJIA index:	8,512.3 (6 May 2009)
% change on 31 Dec. 2008:	-3.0 (local currency); -3.0 ($ terms)
S&P 500 index:	919.5 (Mar. 2009)
% change on 31 Dec. 2008:	-+1.8 (local currency); +1.8 ($ terms)
NAScomp index:	1, 759.1 (Mar. 2009)
% change on 31 Dec. 2008:	+11.5 (local currency); +11.5 ($ terms)

Trade

Trade balance:	$-761.0 billion (latest year, Feb. 2009)
Trade to GDP ratio:	27.3 (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)

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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):	$18.85 trillion (2008 est.)
Predicted change:	-1.5% (Q4 2008); -3.7% (2009) [Euro Area]
Composition by sector:	2.0%-agriculture; 26.8%-industry; 71.1%-services (2008 est.)
Central Bank interest rate:	1.0% (May 2009) [European Monetary Union]
Official reserve assets:	$68,126.31 million (Mar. 2009) [European Central Bank]; $526,750.60 million (Mar. 2009) [Eurosystem]
Foreign currency reserves:	$51,698.92 million (Mar. 2009) [in convertible foreign currencies, European Central Bank], $188,936.34 million (Mar. 2009) [in convertible foreign currencies, Eurosystem]
Securities:	$50,179.14 million (Mar. 2009) [European Central Bank], $172,865.60 million (Mar. 2009) [Eurosystem]
IMF reserve position:	$0.0 million (Mar. 2009) [European Central Bank], $11,129.48 million [Eurosystem]
Special Drawing Rights:	$439.16 million (Mar. 2009) [European Central Bank], $6,423.77 million (Mar. 2009) [Eurosystem]
Gold:	$15,821.88 billion (Mar. 2009) [including gold deposits and, if appropriate, gold swapped, European Central Bank], $319,912.34 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped, Eurosystem]
Financial derivatives:	$166.35 billion (Mar. 2009) [European Central Bank], $243.54 million (Mar. 2009) [Eurosystem]
Loans to nonbank residents:	$0.00 (Mar. 2009) [European Central Bank], $103.80 million (Mar. 2009) [Eurosystem]
Other reserve assets:	$0.00 (Mar. 2009) [European Central Bank], $1.33 million (Mar. 2009) [Eurosystem]
Commercial Bank prime lending rate:	8.03% (31 Dec. 2007)
Stock of money:	$5.679 trillion (31 Dec. 2008) [Euro Area]
Stock of quasi money:	$11.38 trillion (31 Dec. 2008) [Euro Area]
Stock of domestic credit:	$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):	3.0% (2008 est.)
Investment (gross fixed):	21.0% of GDP (2008 est.)
Current account balance:	$-150.9 billion (latest year, Feb. 2009) [Euro Area]
Budget:	NA
Budget balance:	-5.7% of GDP (2009) [Euro Area]
Public debt:	NA
Exchange rates (per USD):	0.75 (6 May 2009); 0.65 (May 2008)
Economic aid-donor:	NA
Debt-external:	NA

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Stock of direct foreign investment:	NA
Market value of publicly traded shares:	NA
Distribution of family income-Gini index:	31.0 (2005 est.)
Unemployment rate:	8.9% (Mar. 2009) [Euro Area]
Labour force:	224.8 million (2008 est.)

Markets

FTSE Euro 100 index:	753.8 (6 May 2009)
% change on 31 Dec. 2008:	+1.0 (local currency); -3.4 ($ terms)
DJ STOXX 50 index:	2, 437.3 (6 May 2009)
% change on 31 Dec. 2008:	-0.4 (local currency); -4.7 ($ terms)

Trade

Trade balance:	$-59.4 billion (latest year, May 2009) [Euro Area]
Trade to GDP ratio:	26.4 (2004-2006)
Exports:	$1.952 trillion f.o.b. (2007) [external exports, excluding intra-EU trade]
Top export partners:	NA
Imports:	$1.69 trillion f.o.b. (2007) [external imports, excluding intra-EU trade]
Top import partners:	NA

Egypt

Polity

Political party:	National Democratic Party
Most recent election:	7 and 20 November, 1 December 2005; June 2007
Government:	Republic
Political system:	Presidential
Legislature:	Bicameral — People's Assembly/Majlis al-Sha'b (all but 10 elected by popular vote), Advisory Council (popular vote)
Capital:	Cairo
Official language:	Arabic

Economy

Currency:	Egyptian Pound
GDP (real):	158.3 billion (2008 est.)
Predicted change:	NA (latest quarter), +3.6% (2009)
Composition by sector:	13.4%-Agriculture; 37.6%-Industry; 48.9%-Services (2008 est.)
Central Bank interest rate:	9.5 (17 May 2009)
Official reserve assets:	$34, 163 million (Dec. 2008)
Foreign currency reserves:	NA [in convertible foreign currencies]
Securities:	NA
IMF reserve position:	0.0 (Apr. 2009)
Special Drawing Rights:	$109 millions (Dec. 2008)
Gold:	[including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	$108 millions (Dec. 2008)
Commercial Bank prime lending rate:	12.51% (31 Dec. 2007)

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Stock of money:	$27.6 billion (31 Dec. 2007)
Stock of quasi money:	$102.6 billion (31 Dec. 2007)
Stock of domestic credit:	$113.9 billion (31 Dec. 2007)
Household income or consumption by % share:	3.7%-lowest 10%; 29.5%-highest 10% (2000)
Inflation rate (consumer prices):	18% (2008 est.)
Investment (gross fixed):	17% of GDP (2008 est.
Current account balance:	$-1.3 billion (latest year, Q4 2008)
Budget:	$40.46 billion-revenues; $51.38 billion-expenditures (2008 est.)
Budget balance:	-6.9% of GDP (2009)
Public debt:	84.7% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	5.63 (6 May 2009); 5.36 (May 2008)
Economic aid-recipient:	$787.04 million (2007)
Debt-external:	$28.84 billion (31 Dec. 2008 est.)
Stock of direct foreign investment:	$59.03 billion-at home; $2.28 billion-abroad (2008 est.)
Market value of publicly traded shares:	$139.3 billion (31 Dec. 2007)
Distribution of family income-Gini index:	34.4 (2001)
Unemployment rate:	9.4% (May 2009)
Labour force:	24.72 million (2008 est.)

Markets

Case 30 index:	5332.9 (6 May 2009)
% change on 31 Dec. 2008:	+16.0(local currency); +13.6 ($ terms)

Trade

Trade balance:	$-26.8 billion (latest year, Q4 2008)
Trade to GDP ratio:	72.6 (2005-2007)
Exports:	$33.36 billion f.o.b. (2008 est.)
Top export partners:	US (9.7%); Italy (9.5%); Spain (7.6%); Syria (5.5%); Saudi Arabia (4.9%); UK (4.2%) (2007)
Imports:	$56.43 billion f.o.b. (2008 est.)
Top import partners:	US (11.7%); China (9.7%); Italy (6.4%); Germany (6.3%); Saudi Arabia (4.7%); Russia (4.3%) (2007)

Sweden

Polity

Political party:	Center-right coalition of Moderate, Center, Liberal, and Christian Democrats parties
Most recent election:	17 September 2006
Government:	Single House-Majority
Political system:	Parliamentary with Constitutional Monarchy
Legislature:	Unicameral
Capital:	Stockholm
Official language:	Swedish

Economy

Currency:	Swedish Kronor
GDP (real):	$512.9 billion (2008 est.)

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Predicted change:	-4.9% (Q4 2008); -4.1% (2009)
Composition by sector:	1.5%-Agriculture; 28.9%-industry; 69.6%-services (2008 est.)
Central Bank interest rate:	0.5% (22 Apr. 2009)
Official reserve assets:	$27,838.00 million (Mar. 2009)
Foreign currency reserves:	$22,942.00 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$22,306.00 million (Mar. 2009)
IMF reserve position:	$630.00 million (Mar. 2009)
Special Drawing Rights:	$298.00 million (Mar. 2009)
Gold:	$3,940.00 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	$28.00 million (Mar. 2009)
Commercial Bank prime lending rate:	4% (2004)
Stock of money:	$217.1 billion (31 December 2007)
Stock of quasi money:	$48.49 billion (31 December 2007)
Stock of domestic credit:	$630.8 billion (31 December 2007)
Household income or consumption by % share:	3.6-lowest 10%; 22.2-highest 10% (2000)
Inflation rate (consumer prices):	1.6% (November 2008 est.)
Investment (gross fixed):	19.6 of GDP
Current account balance:	$+40.3 billion (latest year, Q4 2008)
Budget:	$270.5 billion-revenues; $258.6 billion-expenditures
Budget balance:	-4.7% of GDP
Public debt:	36.5% of GDP (2008 est.)[cumulative debt of all government borrowing]
Exchange rates (per USD):	7.88 (13 May 2009); 602.2 (May 2008)
Economic aid-donor:	$4. 338 billion (2007)
Debt-external:	$598.2 billion (30 June 2006)
Stock of direct foreign investment:	$225.9 billion-at home; 289.6 billion-abroad (2008 est.)
Market value of publicly traded shares:	$612.5 billion (31 December 2007)
Distribution of family income-Gini index:	23 (2005)
Unemployment rate:	8.3% (March 2009)
Labour force:	4.9 million (2008 est.)

Markets

OMXS30 index:	748.1 (13 May 2009)
% change on 31 Dec. 2008:	+12.9 (local currency); +13.4($ terms)

Trade

Trade balance:	+13.7 (latest year, Mar. 2009)
Trade to GDP ratio:	94.6 (2005-2007)
Exports:	$185.1 billion f.o.b. (2008 est.)
Top export partners:	Germany (10.4%); Norway (9.4%); US (7.6%); Denmark (7.4%); UK (7.1%); Finland (6.4%); Netherlands (5.1%); France (5%); Belgium (4.6%) (2007)
Imports:	166.6 billion f.o.b. (2008 est.)
Top import partners:	Germany (18.4%); Denmark (9.2%); Norway (8.3%); UK (6.8%); Finland (6.1%); Netherlands (5.8%); France (5%); China (4.3%); Belgium (4.1%) (2007)

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Spain

Polity

Political party:	Spanish Socialist Workers' Party (PSOE)
Most recent election:	9 Mar. 2008
Government:	Lower House-minority; Upper House-minority
Political system:	parliamentary, constitutional monarchy
Legislature:	bicameral, elected Senate (56 seats of 264 appointed by regional legislatures), elected Chamber of Deputies
Capital:	Madrid
Official language:	Spanish

Economy

Currency:	Euro (EMU)
GDP (real):	$1.683 trillion (2008 est.)
Predicted change:	-2.9% (Q1 2009); -3.3% (2009)
Composition by sector:	3.6%-agriculture, 28.9%-industry, 67.5%-services (2008 est.)
Central Bank interest rate:	1.0% (May 07 2009) [European Monetary Union]
Official reserve assets:	$20,844.44 million (Mar. 2009)
Foreign currency reserves:	$11,565.69 million (Mar. 2009) [in convertible foreign currencies]
Securities:	$11,067.05 million (Mar. 2009)
IMF reserve position:	$740.52 million (Mar. 2009)
Special Drawing Rights:	$222.36 million (Mar. 2009)
Gold:	$8,315.87 million (Mar. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	NA
Loans to nonbank residents:	NA
Other reserve assets:	NA
Commercial Bank prime lending rate:	9.54% (31 December 2008)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$3.724 trillion (30 November 2008)
Household income or consumption by % share:	2.6%-lowest 10%; 26.6%-highest 10% (2000)
Inflation rate (consumer prices):	1.4% (2008 est.)
Investment (gross fixed):	of GDP
Current account balance:	-144.9 (latest year, Feb. 2009)
Budget:	$443.3 billion -revenues; $535.6 billion-expenditures (2008 est.)
Budget balance:	-9.6% of GDP (2009)
Public debt:	37.5% of GDP (2008) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.74 (13 May 2009); 0.65 (May 2008)
Economic aid-/donor:	5. 139 billion (2007)
Debt-external:	$2.478 trillion (30 September 2008 est.)
Stock of direct foreign investment:	$606.8 billion-at home; $738.5 billion-abroad (2008 est.)
Market value of publicly traded shares:	$1.132 trillion (31 December 2008)
Distribution of family	

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income-Gini index:	32 (2005)
Unemployment rate:	17.4% (Mar. 2009)
Labour force:	23.1 million (2008 est.)

Markets

Madrid SE index:	932.7 (13 May 2009)
% change on 31 Dec. 2008:	-4.4 (local currency); -6.5 ($ terms)

Trade

Trade balance:	$-127.3 billion (latest year Feb. 2009)
Trade to GDP ratio:	59.1 (2005-2007)
Exports:	$292.8 billion f.o.b. (2008 est.)
Top export partners:	France (18.8%); Germany (10.8%); Portugal (8.6%); Italy (8.5%); UK (7.6%); US (4.2%) (2007)
Imports:	$444.9 billion f.o.b. (2008 est.)
Top import partners:	Germany (15.7%); France (12.7%); Italy (8.4%); China (5.8%); UK (4.8%); Netherlands (4.6%) (2007)

Netherlands

Polity

Political party:	
Most recent election:	29 May 2007 and 22 Nov. 2006 (for first and second chamber)
Government:	upper house-minority; lower house-minority
Political system:	Parliamentary, Constitutional Monarchy
Legislature:	Bicameral, First Chamber elected, Second chamber elected
Capital:	Amsterdam
Official language:	Dutch, Frisian

Economy

Currency:	Euro (European Monetary Union)
GDP (real):	$909.5 billion (2008 est.)
Predicted change:	-0.6% (Q4 2008); -3.1% (2009)
Composition by sector:	2%-agriculture, 24.4%-industry, 73.6%-services (2008 est.)
Central Bank interest rate:	NA (EMU)
Official reserve assets:	$29,031.00 millions (Apr. 2009)
Foreign currency reserves:	$8,649.00 millions (Apr. 2009) [in convertible foreign currencies]
Securities:	$7,953.00 millions (Apr. 2009)
IMF reserve position:	$1,245.00 millions (Apr. 2009)
Special Drawing Rights:	$1,021.00 millions (Apr. 2009)
Gold:	$18,041.00 millions (Apr. 2009) [including gold deposits and, if appropriate, gold swapped]
Financial derivatives:	$75.00 millions (Apr. 2009)
Loans to nonbank residents:	0.0 (Apr. 2009)
Other reserve assets:	0.0 (Apr. 2009)
Commercial Bank prime lending rate:	8.72% (31 December 2007)
Stock of money:	NA
Stock of quasi money:	NA
Stock of domestic credit:	$1.876 trillion (31 December 2007)
Household income or consumption by % share:	2.5%-lowest 10%; 22.9%-highest 10% (1999)
Inflation rate (consumer prices):	1.5% (2008 est.)

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Investment (gross fixed):	20.3% of GDP (2008 est.)
Current account balance:	$+65.3 billion (latest year, Q4 2008)
Budget:	$408.5 billion-revenues; $398.8 billion-expenditures (2008 est.)
Budget balance:	%-3.1 of GDP (2009)
Public debt:	43% of GDP (2008 est.) [cumulative debt of all government borrowing]
Exchange rates (per USD):	0.74 (13 May 2009); 0.65 (May 2008)
Economic aid-donor:	6. 224 billion (2007)
Debt-external:	$2.277 trillion (30 June 2007)
Stock of direct foreign investment:	$726.9 billion-at home; $872.5 billion-abroad (2008 est.)
Market value of publicly traded shares:	$456.2 billion (31 December 2008)
Distribution of family income-Gini index:	30.9 (2007)
Unemployment rate:	4.1 (Mar. 2009)
Labour force:	7.75 million (2008 est.)

Markets

AEX index:	250.2 (13 May 2009)
% change on 31 Dec. 2008:	+1.7 (local currency); -0.4 ($ terms)

Trade

Trade balance:	$+50.2 billion (latest year, Feb 2009)
Trade to GDP ratio:	133.5 (2005-2007)
Exports:	$537.5 billion f.o.b. (2008 est.)
Top export partners:	Germany (24.4%); Belgium (13.6%); UK (9.1%); France (8.5%); Italy (5.1%); US (4.3%) (2007)
Imports:	$485.3 billion f.o.b. (2008 est.)
Top import partners:	Germany (17.7%); China (10.5%); Belgium (9.3%); US (7.3%); UK (5.8%); Russia (5.1%); France (4.4%) (2007)

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