

## G24 Intervention of Finance Minister after taking over the chair

Dear colleagues,

It is a great honour to take over the chair of G24 and I thank you for enabling it. I bring greetings from all the people of India.

South Africa and its dynamic Finance Minister Mr Pravin J Gordhan has successfully steered this group over the last one year. Let me thank him and his team, on behalf of all of us present here.

I also take this opportunity to welcome the new 2<sup>nd</sup> Vice Chair , Minister Fayza Aboul Naga of Egypt.

I had the privilege to chair the Group in 1983-84, and I clearly recollect the very influential role played by the Group at that time. Much has changed in the 28 years since I was last associated with the group.

First there have been fundamental structural changes in the global economy and these shifts have accelerated in recent years. The role of developing countries which had stalled for many years is now experiencing a major and fundamental rise. Second, the global economy has become much more interconnected and with it we are facing the need for much better coordinated and concerted actions.

I do believe that the G24 has an important role to play in fostering dialogue amongst developing countries and in supporting a more inclusive approach

in global economic and financial cooperation including on the development agenda.

However, as we have discussed, realizing this potential will require enhancing the effectiveness of the Group and adapting its role to the changing landscape of global governance. A key prerequisite for effectiveness will be to agree on a limited set of priorities which are of vital importance to us and where we can make a difference.

The next few months are crucial for the global economy. The challenge of economic development and poverty alleviation is a continuing one. The recent commodity and food price rise and their volatility constitute a grave threat to economic growth and food security in our economies. Increased investment in agriculture and productivity should be the strategic priority of G24 to cool prices and provide food security to our people. Furthermore, there is a need to ensure transparency in commodity markets.

Another strategic priority that I hope to see focused action, is on the development of infrastructure in our countries. Gaps in infrastructure remain as significant bottlenecks to growth. India places great importance to meeting the challenge of infrastructure financing and we look forward to working with you in developing concrete proposals for action.

Third, we must continue to push for more ambitious progress on governance reform of the IFIs. The Multilateral Development Banks need to also mobilize more resources to increase their assistance to low income and other developing countries including finding ways of expanding their lending capacity, so that development finance is not neglected.

I believe that many of our countries possess extremely good practices that can be studied and emulated in others. Let us use the platform of G24 to build stronger South-South cooperation links for our people's common benefit.

I look forward to your suggestions and your inputs as we go along.