

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**OPENING REMARKS OF THE FINANCE MINISTER SHRI PRANAB
MUKHERJEE IN THE G-24 FINANCE MINISTERS MEETING IN
WASHINGTON D.C. TODAY**

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**Please find below the text of the Opening Remarks of the Union Finance
Minister Shri Pranab Mukherjee in the G-24 Finance Ministers Meeting in
Washington D.C. today:**

We are meeting at a time when the global economy appears to be strengthening gradually after suffering a setback. Although actions by Euro zone countries and the ECB have stabilized the situation and calmed the market somewhat, underlying structural problems remain and downside risks remain significant as manifest in recent movements in bond yields. Volatility in commodity prices, threats of disruptions to supply chains and high oil prices have added to global uncertainty and impacted businesses across the globe, slowing the recovery in both advanced and emerging economies.

Developing countries and emerging economies are expected to continue as growth drivers for the world economy. The fact, however, is that even here growth has decelerated. The global economy is too interconnected for them to be insulated from the knockdown impact of developments in advanced economies. This presents both a challenge as well as an opportunity for organizations like the G24 to take a lead role in creating a platform for exchange of ideas and to develop a consensus to arrive at solutions that are not only effective in the short run but also sustainable in the long run. The need for concerted action among the world nations for facing the volatility in the global economy was well articulated in our last meeting in September 2011 in this very same venue. Many of us who are gathered here today represent the voice of the masses of the poor and vulnerable populations who are adversely affected by the lack of jobs, infrastructure, food and finance and for whom we need to do more together.

The role of the IFIs today deserves to be viewed in this light. There are serious apprehensions regarding the governance structure of these IFIs, adequacy of their resources as well the flexibility of their lending procedures. These apprehensions have strengthened the trend of setting up new and regional financial mechanisms and institutions where the voice of these nations are heard, and adequate finance is forthcoming.

The present global juncture presents an opportunity for the G24 to devise strategies to enhance its effectiveness in the global policy making process. All international organizations today recognize the fact that none of them can be an active participant in the global economy unless and until EMDCs are taken on board and given a greater role. In this scenario, the G24 is uniquely positioned as

it is well represented by all major EMDCs. G24 is rightly making use of this opportunity by organising meetings on Infrastructure Financing and Financial Inclusion on April 22. As developing countries become major economic powers in global scenario, their responsibilities will also increase.

In today's meeting, we will cover 3 issues, namely the Global Economy, reform of the International Financial Institutions and Infrastructure Financing. I look forward to your views on these agenda items. In view of the limited time available at our disposal, I would request you to cover all the agenda items in your interventions.