

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**OPENING REMARKS OF THE FINANCE MINISTER SHRI PRANAB
MUKHERJEE AT THE G-24 PRESS CONFERENCE IN WASHINGTON
D.C. TODAY**

**New Delhi: Chaitra 30, 1934
April 19, 2012**

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

The G24 Ministers met today and discussed the Global Economy, Reform of International Financial Institutions and Infrastructure Financing and Sustainable Development. We had frank and fruitful discussions amongst ourselves, including a brief interaction with the MD of the IMF and the World Bank President. As part of the initiative to enhance the role and effectiveness of the Group, we also had a briefing on the G20 under the Mexican Presidency.

Our communiqué shows that despite the diversity of the Group, we can find common ground. On the global economy, we remain concerned about the fragility of the recovery. Recent policy actions have reduced threats from the Euro area, but downside risks remain high, including from high and uncertain oil prices. The subdued global growth has adverse impact on growth in many emerging markets and developing countries. We believe

that immediate and concerted actions are needed to restore confidence and boost growth.

We will focus on job creation and on effective and affordable social safety nets that protect the poor and vulnerable. We call for the timely and full delivery of the ODA commitments to LICs.

On management of capital flows, we have strong reservations on the integrated approach proposed by the IMF staff and insist that policy makers must have the flexibility to adopt policies that they consider appropriate to deal with capital flows. We also call for actions to mitigate excess volatility in commodity prices, both for food and energy, which is undermining growth.

On the International Financial Institutions, we stress that the forward looking commitments on IMF quota and governance reform must be met on a full and timely basis. We welcome ongoing efforts to ensure that the IMF has the necessary resources to play its role, but it should remain a quota based institution.

We are concerned that World Bank lending is projected to decline at this crucial juncture because of constrained financial capacity. We therefore call for new solutions to bolster the financial capacity of the Bank and IFC. We also urge the Bank to improve its responsiveness through more flexible and innovative policies and instruments. We ask the Bank to remain engaged with Middle Income Countries and to scale up resources and technical assistance for the developmental needs of MENA countries in transition.

We recognize for the 1st time in the history of the Bank that there was an open process for the selection of the President and that 2 outstanding candidates from developing countries were presented. We congratulate Dr Jim Kim on his selection and extend our support to him.

We believe that to realize our growth potential, a substantial increase in investment in infrastructure is required. We call on efforts to strengthen the existing architecture of global, regional and national institutions and to enhance PPPs and private sector involvement. We also look forward to the outcome of the review called for by BRICS Leaders to explore the feasibility and viability of a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in emerging markets and developing countries.

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