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PM's opening statement at Press Conference in Cannes

Following is the text of Prime Minister Dr Manmohan Singh's opening statement at Press Conference in Cannes:

"The summit had before it an extensive agenda, on which work had been going on over the past two years. It was overtaken by sudden developments in Greece which could have broader spillover effects. The Summit reviewed progress on the existing agenda and also discussed the implications of the Greek crisis.

As far as the ongoing agenda is concerned, the communique brings out the significant progress made in all the important areas. These include the outcome of the Mutual Assessment Process (MAP), progress in financial regulation and banking transparency, and improvements in the functioning of agricultural and energy markets, including futures markets. The communiqué welcomes the IOSCO recommendations for improving regulation and supervision of commodity markets to manage volatility in prices.

The MAP process represents the first time that the major economies have undertaken a collective commitment to follow policies which meet their national objectives while also being consistent with promoting global growth.

I am particularly happy to note that the communiqué endorses our call for increased banking transparency and exchange of information to combat tax fraud and evasion and other illicit flows. This was an important part of our agenda. The Communique emphasizes the importance of social inclusion, the establishment of social protection floors based on national policies and promotion of employment, especially among the youth. These emphases are fully in line with our own priorities.

The summit also reviewed the position regarding the Doha Round of negotiations, which have not made progress. The summit has endorsed the importance of the Doha Round and the mandate of the Doha Development Agenda. To give a forward push in this area, it has tasked the G20 Trade Ministers to explore all possible approaches at the next WTO Ministerial Meeting in December and report back at the Mexico Summit. The Summit has also reaffirmed the standstill agreement on new protectionist measures which was adopted in Toronto.

The Summit also discussed issues arising from the Greek crisis and the need to take protective measures to avoid contagion. We had stated that management of the Eurozone crisis is primarily the responsibility of the Eurozone countries and this assessment was shared by many other delegations. The Eurozone countries did undertake extensive consultations among themselves and have reported some progress. The Greek referendum announced earlier has been withdrawn and the Greek Government has indicated that it will proceed with implementing the package agreed earlier.

We welcome this development, and hope that it will lead to an early resolution.

On the issue of the contagion spreading to other Euro zone countries, Italy announced that it has agreed to a monitoring arrangement under which the IMF will report every quarter on Italy's performance under the existing programme agreed with the EU. This is meant to send a signal of confidence to the markets. We have taken the view that the IMF should keep the situation under close watch and we would support the IMF in playing an appropriate role to backstop preventive steps taken within the Eurozone. The communiqué has stated that the G-20 will ensure that adequate resources will be available with the IMF. This issue has been referred to the Finance Ministers for their next meeting in December.

The crisis in the Eurozone is a potentially grave threat to the stability. There was obviously too little time in the Summit to resolve all the issues. However, I hope that unresolved issues can be quickly resolved. The outcome of the Summit on this issue should be seen as a work in progress.

AD
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