

**Press Information Bureau  
Government of India  
Ministry of Finance**

21-April-2012 20:9 IST

**Text of the Union Finance Minister Shri Pranab Mukherjee's Intervention Statement on  
'Energy and Commodities' in G-20 Finance Ministers and Central Bank Governors'  
Meeting in Washington D.C.**

**The text of the Union Finance Minister Shri Pranab Mukherjee's Intervention Statement on 'Energy and Commodities' in G-20 Finance Ministers and Central Bank Governors' (CBGs) Meeting in Washington D.C. today is as follows:**

As a major commodity importer, India is very concerned about the increase and volatility of commodity, and especially oil, prices, in recent times that seem to be not aligned with underlying economic fundamentals. These distortions are, inter alia, adding to inflationary pressures in a number of developing countries, including India.

Despite several studies, including one done by the G 20 itself, it is still not very clear as to what is driving this heightened volatility, which seems to be a mix of financialization of commodity markets, monetary policy actions, political uncertainties, and demand-supply imbalances.

We feel that improving information and transparency in commodity markets, including futures and over the counter markets would help alleviate the problem. We therefore welcome the G 20 initiatives in this direction. There is an urgent need for countries to put in place a mechanism for gathering commodity market information and creating a publicly accessible comprehensive data base on production, price, inventories, demand and supply forecasts, etc. An unfettered access to vital information on the commodity markets would discourage excessive speculation and exaggerated price movements.

In addition, there should also be a thrust towards increasing production and productivity of commodities through improved technology to relieve any demand-supply imbalances that may exist to maintain price stability. During our last meeting in February we had also felt that there is a need for a commitment by producing countries to continue to ensure adequate supply to mitigate supply shocks.

\*\*\*\*\*

**DSM**