

G-20



The G20

The G20 (or Group of Twenty) is an international forum for the **governments and central bank governors from 19 countries and the European Union (EU)**. The G20 was established in **1999**. (The EU is represented by the European Commission and by the European Central Bank.)

Membership comprises a mix of the world's largest advanced and emerging economies, representing **about two-thirds of the world's population, 90% of global gross domestic product, 80% of global investment and over 80% of global trade.**

G20 countries flags



Australia



Argentina



Turkey



Japan



Canada



Germany



Brazil



UK



South Africa



France



Italy



Saudi Arabia



India



Indonesia



China



Mexico



Russia



EU



South Korea



USA

Stature of G-20

- Two-thirds of the world's population, ✓
- 85% of global gross domestic product, ✓
- 80% of global investment and
- over 75% of global trade. ✓

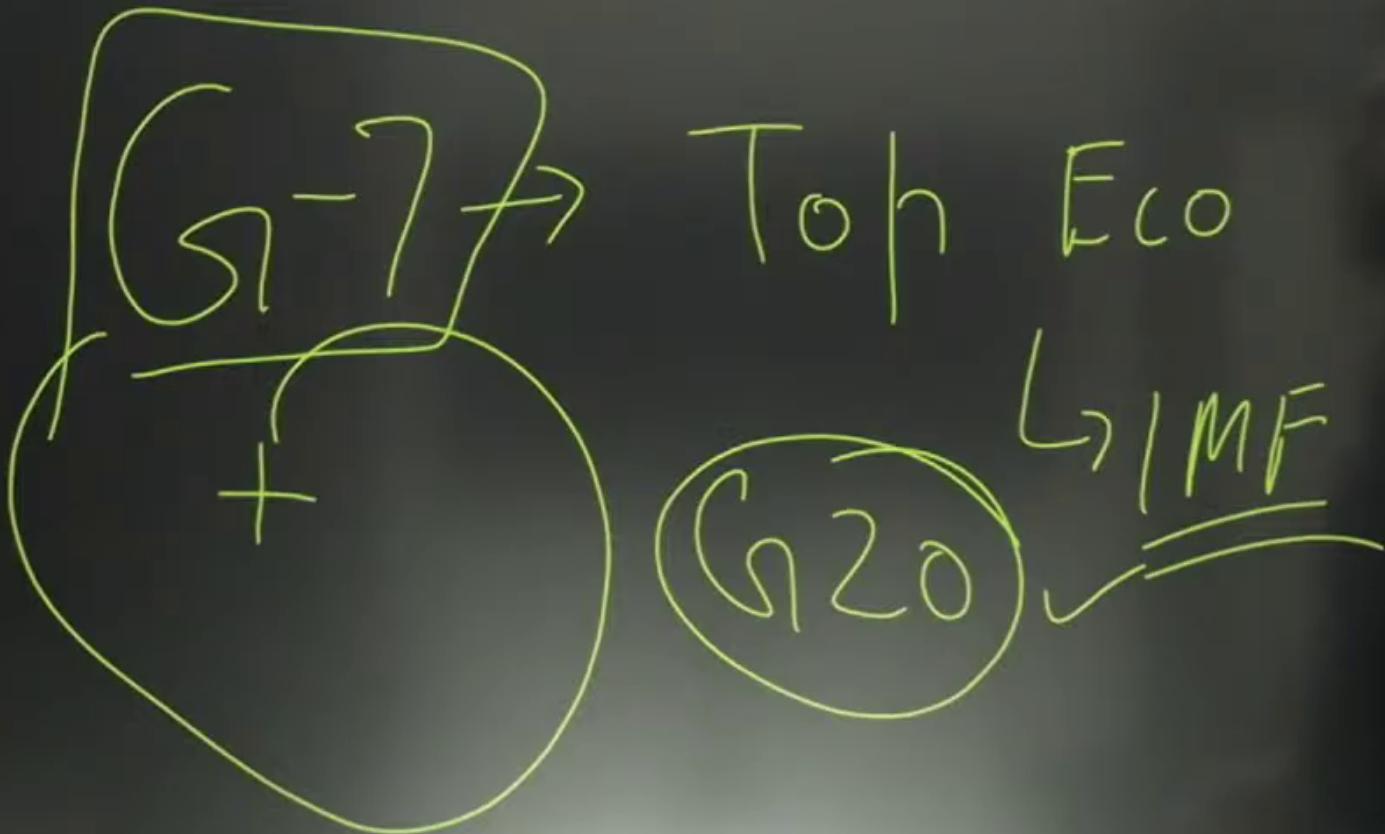
History

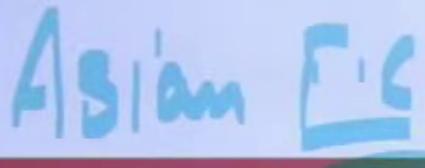
1997-1999 ASIAN Financial Crisis: This was a ministerial-level forum which emerged after G7 invited both developed and developing economies. The **finance ministers and central bank governors began meeting in 1999.**

Amid the world saw the need for a new consensus building at the highest political level. **It was decided that the G20 leaders would begin meeting once annually.**

At its **2009 summit**, the G20 declared itself the primary venue for international economic and financial cooperation.

To help prepare these summits, the G20 **finance ministers and central bank governors continue to meet on their own twice a year.** They meet at the same time as the International Monetary Fund and The World Bank.





History →

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Working of G-20

The **finance track** comprises all meetings with **G20 finance ministers and central bank governors** and their deputies they meet several times throughout the year they focus on monetary and fiscal issues, financial regulations, etc.

The **leadership/sherpa track** focuses on broader issues such as political engagement, anti-corruption, development, energy, etc. Here each country is represented by a leader e.g. at the G20 in Argentina, 2018 Shri Shaktikanta Das played that role.

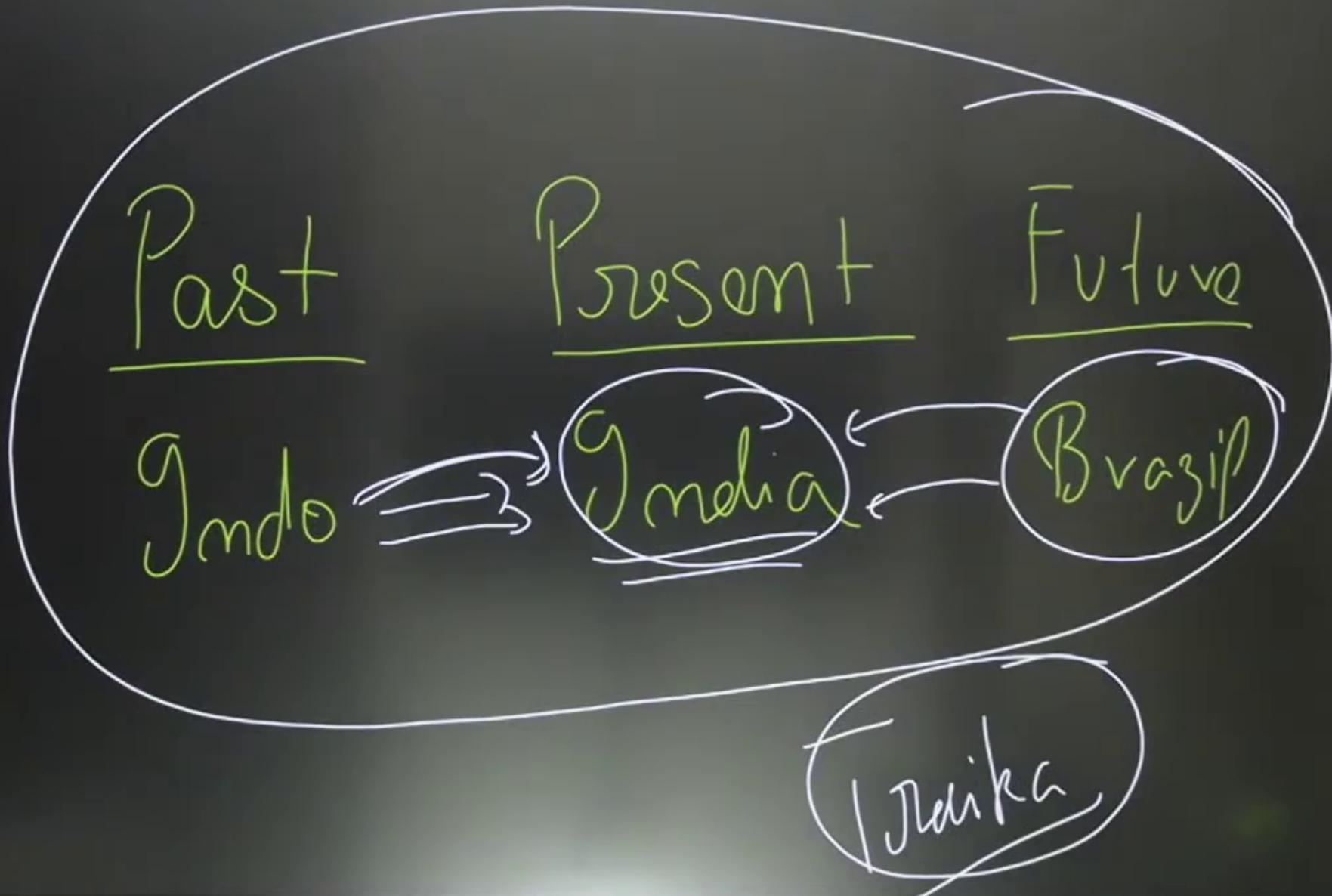
The Summits

The first official summit was held in Washington DC, U.S.A in 2008.

14th	28–29 June 2019	 Japan	Osaka	Intex Osaka
15th	21–22 November 2020	 Saudi Arabia	Riyadh	(The summit took place with a worldwide video conference due to the COVID-19 pandemic in Saudi Arabia)
16th	30–31 October 2021	 Italy	Rome	EUR New Convention Center
17th	15–16 November 2022	 Indonesia	Nusa Dua, Bali	Bali Nusa Dua Convention Center ^[27]
18th	TBD 2023	 India	New Delhi	TBD
19th	TBD 2024	 Brazil	TBD	TBD

Structure and Functioning of G20

- The **G20 Presidency rotates annually** according to a system that ensures a regional balance over time.
- For the **selection of presidency**, the 19 countries are divided into 5 groups, each having no more than 4 countries. The presidency rotates between each group. Every year the G20 selects a country from another group to be president. **India is in Group 2** which **also has Russia, South Africa, and Turkey**.
- The G20 **does not have a permanent secretariat or Headquarters**. Instead, the G20 president is responsible for bringing together the G20 agenda in consultation with other members and in response to developments in the global economy.
- **TROIKA:** Every year when a new country takes on the presidency, it works hand in hand with the previous presidency and the next presidency and this is collectively known as TROIKA. This ensures continuity and consistency of the group's agenda.



Group 1	Group 2	Group 3	Group 4	Group 5
Australia	India	Argentina	France	China
Canada	Russia	Brazil	Germany	Indonesia
Saudi Arabia	South Africa	Mexico	Italy	Japan
United States	Turkey		United Kingdom	South Korea

Grouping among G-20

The work of G20 members is supported by several international organizations that provide policy advice. These organizations include:

- The **Financial Stability Board (FSB)**. The FSB, which was established by G20 leaders following the onset of the global financial crisis,
- The International Labor Organization (ILO).
- The International Monetary Fund (IMF).
- The Organization for Economic Co-operation and Development (OECD)
- United Nations (UN)
- World Bank
- The World Trade Organization (WTO)

The **G20 also regularly engages/engagement track** with non-government sectors. Engagement groups from business (B20), civil society (C20), labour (L20), think tanks (T20) and youth (Y20) are holding major events during the year, the outcomes of which will contribute to the deliberations of G20 leaders.

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What India wants from G20

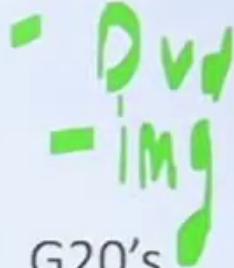
- ✓ Checking tax evasion to fight corruption
- ✓ Choking terror funds X
- ✓ Cutting the cost of remittances → No 1
- ✓ Market access for key drugs / IT
- ✓ Reforms in the World Trade Organization to improve its functioning
- ✓ “Full implementation” of the Paris Agreement

Importance of G20

- With only 20 members, the G20 is agile enough to **make prompt decisions** and to adapt to new challenges.
- The inclusion every year** of invited countries, international organizations and civil society organization **ensure engagement of international players**.
- It plays a crucial role in **strengthening the international financial regulatory system**, including better coordination across countries.
- Major achievements of the G20 include **quick deployment of emergency funding during the 2008 global financial crisis**.
- It has also **worked for reforms** at international institutions like **BEPS by OECD**.
- G20 played a **critical role** in the ratification of the Trade Facilitation Agreement, of the WTO, **India also finally signed the agreement in 2016**.
- G20 **bring World's top developed and developing countries together** to bring consensus and reasoning into decision making through discussion.



Limitations of G-20



- **No enforcement mechanism:** The G20's toolkit ranges from simple exchanges of information and best practices to agreeing common, measurable targets, to coordinated action. None of this is achieved without consensus, nor is it enforceable, except for the incentive of peer review and public accountability.
- **Not legally binding:** the decisions are based on discussions and consensus which culminates in the form of declarations. These declarations are not legally binding. It's just an advisory or consultative group of 20 members.

G20 PRESIDENCY OF INDONESIA

RECOVER TOGETHER
RECOVER STRONGER



G20
INDONESIA
2022



G-20 Summit
2022: Bali
Indonesia

The Summit

The 17th annual summit of G-20 was hosted by the Indonesian G20 presidency in Bali under the theme '**Recover Together, Recover Stronger**'.

Now, India has **assumed the charge of the G20 presidency** and the 18th summit will be held in India in 2023.

Outcomes of Bali Summit

Condemning Russian Aggression.

G20 economies agreed in their declaration to pace interest rate rises carefully to avoid spillovers and warned of "increased volatility" in currency.

The leaders promised to take coordinated action to address food security challenges and applauded the Black Sea grains initiative.

G20 leaders agreed to pursue efforts to limit the global temperature increase to 1.5 degrees Celsius - confirming they stand by the temperature goal from the 2015 Paris Agreement.

Leaders recognised the importance of digital transformation in reaching the sustainable development goals.

What are the Challenges before the G-20 Member Countries?

Impact of Russia's Invasion of Ukraine

Impact of Rising Inflation

Slowdown of Major Economies

Rising geopolitical issues