

BRICS Finance Ministers' Joint Communiqué

Washington DC, September 22, 2011

We, the BRICS Finance Ministers and Central Bank Governors, met on September 22, 2011 in Washington DC, USA, amid growing concern regarding the state of the global economy.

While BRICS countries recovered quickly from the 2008-09 global financial crises, some of us have been subject to inflationary pressures and growth prospects of all our countries have been dampened by global market instability. In advanced countries, the build-up of sovereign debt and concerns regarding medium to long-term plans of fiscal adjustment are creating an uncertain environment for global growth. Also, excessive liquidity from aggressive policy actions taken by central banks to stabilize their domestic economies has been spilling over into emerging market economies, fostering excessive volatility in capital flows and commodity prices.

The immediate problem at hand is to get growth back on track in developed countries. In this context we welcome the recent fiscal package announced by USA as well as the decisions taken by Euro area countries to address financial tensions, notably by making the EFSF flexible. It is critical for advanced economies to adopt responsible macroeconomic and financial policies, avoid creating excessive global liquidity and undertake structural reforms to lift growth create jobs and reduce imbalances.

The current situation requires decisive actions. We are taking necessary steps to secure economic growth, maintain financial stability and contain inflation. We are also determined to speed up structural reform to sustain strong growth which would advance development and poverty reduction at home and benefit global growth and rebalancing. The contribution of BRICS countries and other emerging market economies to global growth is rising and will increase further. However, global rebalancing will take time and its impact may not be felt sufficiently in the short-term. We will also work to intensify trade and investment flows among our countries to build upon our synergies.

The BRICS are open to consider making additional efforts in working with other countries and International Financial Institutions in order to address the present challenges to global financial stability, depending on individual country circumstances.

We are concerned with the slow pace of quota and governance reforms in the IMF. The implementation of the 2010 reform is lagging. We must also move ahead with the comprehensive review of the quota formula by January 2013 and the completion of the next review of quotas by January 2014. This is needed to increase the legitimacy and effectiveness of the Fund. We reiterate our support for measures to protect the voice and representation of the IMF's poorest members. We call on the IMF to make its surveillance more integrated and even-handed.

Multilateral Development Banks are considered by developing countries as important partners in helping them meet their long term development finance needs. In the current global economic environment, the Banks need to mobilize more resources to increase their assistance to low income and other developing countries including finding ways of expanding their lending capacity, so that development finance is not neglected.

In the face of a slowdown of global economic growth, it is necessary to maintain international policy co-operation and co-ordination. We remain committed to work with the international community, including making contributions to the G20 Cannes Action Plan consistent with national policy frameworks to ensure strong, sustainable and balanced growth. We shall work together in searching for a coordinated solution to the current challenges as we did in 2008-09.

Source: Ministry of Finance, Government of India
