



**MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA**

MEDIA RELEASE

SOUTH AFRICA TO ATTEND G20 MEETINGS OF FINANCE MINISTERS AND CENTRAL BANK GOVERNORS IN AUSTRALIA

South Africa will join fellow G20 member-countries in Sydney, Australia, this weekend (22-23 February, 2014) for the first meeting of Finance Ministers and Central Bank Governors under the Presidency of Australia.

The Deputy Minister of Finance, Nhlanhla Nene, will lead the South African Government delegation. Finance Minister Pravin Gordhan will not attend the meeting as he is preparing for the tabling of the 2014 budget in parliament on Wednesday, the 26th of February.

This weekend's meeting is an opportunity for G20 members to discuss the challenges of how to resolve the after-effects of the global financial crisis which began in 2008. The global economy is yet to fully recover from the crisis. Recent turbulence in global capital markets is evidence of this. The issues tabled for discussion at this meeting include:

- investment in infrastructure;
- how to build common growth strategies;
- a package of changes to financial sector regulation;
- a global standard on the automatic exchange of tax information and a G20 tax agenda for 2014; and
- the next steps on the IMF reform agenda.

South Africa will use the meeting to encourage the global economic community to return to more cooperation and coordination through the G20. Our delegation will draw attention to the need for greater care in ensuring clear and consistent communication of policy actions by the very large economies. Recent events have demonstrated how financial markets, as one of the channels through which the interconnectivity of global economies takes place, can affect stability in emerging economies.

Though the recent performance of the US and Eurozone economies shows promise, the global economy remains constrained by weak global aggregate demand and underinvestment, both of which are important for sustainable global growth.

South Africa will pay particular attention to the G20's agenda for investment in infrastructure and its potential to support this agenda in sub-Saharan Africa.

Like many emerging economies, South Africa remains concerned about the IMF reform process. We will therefore, reiterate her concerns that the IMF reform process has failed to improve the representation of sub-Saharan Africa in the IMF and that no action has been taken to address the steady erosion of the voting share of this region during the previous round of governance (Executive Board) reforms. Given the increased use of global capital markets by a number of sub-Saharan African countries in recent years, their poor representation in the IMF is inconsistent with the fund's reform objectives of legitimacy, credibility and effectiveness.

Issued on behalf of the Ministry of Finance

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