

G20 summit underway, BRICS leaders meet

Observers are hoping that the leaders of the world's 20 major industrialised nations will emerge from their summit in Russia with a tangible plan to push global economic growth and provide much-needed jobs.

With more than 250 million globally said to be looking for jobs, job creation is central to this year's G20 summit in St Petersburg.

This year marks the G20's fifth anniversary, and leaders, who are currently locked behind closed doors, are expected to agree on coordinated measures on banking reform, tax and trade regulations, and how to spark sustainable economic growth.

US President Barack Obama and UK Prime Minister David Cameron were among the last leaders to arrive at the summit.

Away from the G20 summit, leaders of the BRICS bloc - consisting of Brazil, Russia, India, China and South Africa - gathered for a short meeting where they emerged saying the G20 leaders could do more to boost global demand and market confidence.

President Jacob Zuma was accompanied by International Relations and Cooperation Minister Maite Nkoana-Mashabane to the meeting.

"The leaders noted the continued slow pace of the recovery, high unemployment in some countries, and on-going challenges and vulnerabilities in the global economy, particularly in advanced economies. They believe that major economies, including the G20, could do more to boost global demand and market confidence," a statement issued after the BRICS leaders meeting said.

The BRICS leaders reiterated the concerns they had expressed at the Durban Summit in March, regarding the unintended negative spill-overs of unconventional monetary policies of certain developed economies.

"They emphasised that the eventual normalisation of monetary policies need to be effectively and carefully calibrated and clearly communicated."

The meeting also expressed concerns with the stalling of the International Monetary Fund reform process. They recalled the urgent need to implement the 2010 IMF Quota and Governance Reform, as well as to complete the next general quota review by January 2014 as agreed at the G20 Seoul Summit in order ensure the fund's credibility, legitimacy and effectiveness.

They welcomed the good progress made towards the establishment of the BRICS-led New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). Progress has been made in negotiating its capital structure, membership, shareholding and governance of the bank. It will have an initial subscribed capital of US\$50bn from the BRICS countries. The bank is expected to fund infrastructure projects crucial for development in BRICS member countries.

On the CRA, consensus has been reached on many key aspects and operational details regarding its establishment.

"As agreed in Durban, the CRA will have an initial size of US\$100bn. Countries' individual commitments to the CRA will be as follows: China - US\$41bn; Brazil, India, and Russia - US\$18bn each; and South Africa - US\$5bn," the statement said.

The BRICS leaders expect tangible results by the time of the next summit.

For more, visit: <https://www.bizcommunity.com>