

Mario Draghi: G20 priorities under the Russian Presidency

Speech by Mr Mario Draghi, President of the European Central Bank, at the G20 Ministers and Central Bank Governors' Meeting, Moscow, 15 February 2013.

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Dear President Putin, ladies and gentlemen,

First, on behalf of all my G20 colleagues, I would like to thank you, President Putin, for hosting us today in Moscow and in the Kremlin this afternoon. I feel honoured to be able to speak here on behalf of my colleagues.

The main objective set out by Russia when it assumed its G20 Presidency for this year was to “stimulate economic growth and create jobs”. As premier forum for international economic cooperation, the G20 indeed plays a central role in supporting policies aimed at strong, sustainable and balanced growth globally.

The overall G20 agenda, proposed by Russia for this year, spans much wider, and is fully in line with the original mandate of the G20 to cover both financial stability as well as longer-term growth-related issues. As President Putin has just outlined, we have a lot of hard work ahead of us. I am looking forward to making progress in all of the areas earmarked.

At today's and tomorrow's meeting of G20 Ministers and Governors we will have a fruitful exchange of views on the global economy, on the progress in our financial regulatory reform agenda, on further reforms of the international financial architecture, and on investment financing, among other things. These are all issues which the Russian Presidency has given due importance as they address key questions currently occupying economic policy makers all over the globe:

- How can we create jobs?
- How can we get back to strong, sustainable and balanced growth?
- How can we progress on financial regulation, so as to further strengthen our financial systems?
- What are the further steps to complete our international financial architecture to support stability and growth?
- And how can long-term investment financing be better geared towards delivering long-term global growth, development and job creation?

The first three issues – the agendas for growth, financial regulation and financial architecture – have been occupying us ever since the global crisis emerged and G20 Leaders met in November 2008. The Russian Presidency has given special attention to the fourth issue, long-term investment financing for growth and development. And rightly so in my view, considering the key role played by investment not only in increasing output in the short term, but also boosting potential output over the medium term.

Policy actions, notably by G20 members, have been able to bolster confidence and improve financial market sentiment.

Conditions in the banking sector, and in financial markets more generally, have significantly improved since the summer of last year. This is manifested by rising global equity prices and a decline in financial market volatility and global risk aversion. Global capital flows have picked up again. Spreads on sovereign and corporate bonds are narrowing.

But we have to remain prudent. We should continue to press ahead with reforms to avoid abrupt changes in financial market sentiment. And we can only acknowledge that for some of the G20 members this improvement in financial markets has not yet found its way through to

the real economy. The key responsibility for us, economic policy makers in the G20, is therefore to continue our action based on the three pillars:

- commitment to the policy goals that we have set out
- consistency in their implementation, across time, across countries and across policy domains
- and collaboration among all of our constituencies.

I have no doubt that the G20 will, under the Russian Presidency, contribute to restoring growth and job creation for the global economy. Thank you.