



Communiqué of Finance Ministers and Central Bank Governors of the G-20

Washington DC, USA, 22 September 2011

We, the Finance Ministers and Central Bank Governors of the G-20 are committed to a strong and coordinated international response to address the renewed challenges facing the global economy, notably heightened downside risks from sovereign stresses, financial system fragility, market turbulence, weak economic growth and unacceptably high unemployment.

We are taking strong actions to maintain financial stability, restore confidence and support growth. In Europe, Euro area countries have taken major actions to ensure the sustainability of public finances, and are implementing the decisions taken by Euro area Leaders on 21 July 2011. Specifically, the euro area will have implemented by the time of our next meeting the necessary actions to increase the flexibility of the EFSF and to maximize its impact in order to address contagion. The US has put forward a significant package to strengthen growth and employment through public investments, tax incentives, and targeted jobs measures, combined with fiscal reforms designed to restore fiscal sustainability over the medium term. Japan is implementing substantial fiscal measures for reconstruction from the earthquake while ensuring the commitment to medium-term fiscal consolidation. Heightened downside risks have also made the economic environment for emerging markets and developing economies more challenging and they are adjusting their macro-economic policies accordingly to maintain stability and sustain growth. The contribution of the emerging market economies to global growth will increase as these economies as a whole move towards more domestic led growth, including through structural reforms and enhanced exchange rate flexibility to reflect economic fundamentals. We reiterate that excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability.

We are committed to supporting growth, implementing credible fiscal consolidation plans, and ensuring strong, sustainable and balanced growth. This will require a collective and bold action plan, with everyone doing their part. We are working together to put in place for the Cannes Summit such an action plan of coordinated policies with both short term decisions and a medium-long term perspective.

We commit to take all necessary actions to preserve the stability of banking systems and financial markets as required. We will ensure that banks are adequately capitalized and have sufficient access to funding to deal with current risks and that they fully implement Basel III along the agreed timelines. Central Banks will continue to stand ready to provide liquidity to banks as required. Monetary policies will maintain price stability and continue to support economic recovery.

We will review progress made in implementing the commitments made today at our next meeting.