

G20 FMs vow to use 'all policy tools' to support global growth

PTI | Beijing | 25 July, 2016

[A](#) | [A](#) |  | [Take a survey](#)**Representational image (Photo: AFP)**

The Group of 20 major economies, including India, on Sunday vowed to deploy all policy tools to foster confidence and boost global environment for growth, which they said was "challenging" and uncertain after UK's decision to exit the world's largest single market, the EU.

"The global economic environment is challenging and downside risks persist, highlighted by fluctuating commodity prices, and low inflation in many economies," a communique issued after the G20 Finance Ministers and Central Bank Governors Meeting in southwest China's Chengdu city said.

Department of Economic Affairs Secretary Shaktikanta Das attended the gathering, which was held ahead of G20 leaders meeting scheduled in the Chinese city Hangzhou in September.

The communique said that the outcome of the Brexit result adds to uncertainty in the global economy. The European Union's 28-member account for 16 per cent of world imports and exports.

To foster confidence, monetary policies will continue to support economic activity and ensure price stability, but monetary tools alone cannot lead to balanced growth, state-run Xinhua quoted the communique as saying.

"We are using fiscal policy flexibly and making tax policy and public expenditure more growth-friendly," it added.

The nations reaffirm their previous exchange rate commitments, including refraining from competitive devaluations and not targeting exchange rates for competitive purposes.

"We will carefully calibrate and clearly communicate our macroeconomic and structural policy actions to reduce uncertainty, minimise negative spillovers and promote transparency," it said.

The G20 economies committed to enhance communication and cooperation, and take effective steps to address the challenges of structural problems, including excess capacity in some industries, exacerbated by a weak global economic recovery and depressed market demand.

According to the communique, G20 members reaffirmed commitment to promote investment with focus on infrastructure in terms of both quantity and quality.

Before today's meeting, the International Monetary Fund downgraded its forecasts for global growth this year by 0.1 percentage point to 3.1 per cent.