Procedure file

Basic information

RSP - Resolutions on topical subjects	2009/2558(RSP)	Procedure completed
Resolution on the London G20 Summit of 2 April 2009 Subject 5.03 Global economy and globalisation		

Key players

European Parliament			
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2931	10/03/2009

Key events

10/03/2009	Debate in Council	2931	Summary
23/04/2009	Debate in Parliament		Summary
24/04/2009	Results of vote in Parliament		
24/04/2009	Decision by Parliament	T6-0330/2009	Summary
24/04/2009	End of procedure in Parliament		

Technical information

Procedure reference	2009/2558(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 136-p5
Stage reached in procedure	Procedure completed

Documentation gateway

Oral question/interpellation by Parliament		B6-0201/2009	23/03/2009	EP	
Oral question/interpellation by Parliament		B6-0202/2009	23/03/2009	EP	
Motion for a resolution		B6-0185/2009	23/04/2009	EP	
Motion for a resolution		B6-0187/2009	23/04/2009	EP	
Motion for a resolution		B6-0188/2009	23/04/2009	EP	

Motion for a resolution		B6-0189/2009	23/04/2009	EP	
Joint motion for resolution		RC-B6-0185/2009	23/04/2009		
Text adopted by Parliament, single reading		T6-0330/2009	24/04/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)3615/3	27/10/2009	EC	

Resolution on the London G20 Summit of 2 April 2009

The Council endorsed terms of reference for the EU's participation in a meeting of G-20 finance ministers and central bank governors on 14 March that will prepare the G-20 summit on the global economy and international financial governance in London on 2 April 2009.

An informal meeting of EU G-20 heads of state and government was held in Berlin on 22 February. The European Council on 19 and 20 March is due to approve common messages for the G-20 summit.

The London summit will bring together the heads of state and government of the world's developed and emerging economies and representatives of international financial institutions (IFIs), with the aim of identifying the means for restoring economic confidence and financial stability. It will follow on from a summit held in Washington on 15 November, the first G-20 meeting to be held at the level of heads of state and government.

The aim will be to reach agreement on coordinated actions to revive the global economy, reforming and improving financial systems and principles for the reform of IFIs, namely the International Monetary Fund, the Financial Stability Forum and the World Bank.

The EU terms of reference cover the following issues:

- closer international coordination of macroeconomic policies;
- global financial market regulation based on increased transparency and accountability;
- strengthened cooperation between financial authorities at international level;
- the strengthening of the International Monetary Fund;
- the role of multilateral development banks in countering the effects of the financial and economic crisis, in particular for the poorest and most vulnerable populations.

Resolution on the London G20 Summit of 2 April 2009

The House held a debate, following on the Council and Commission statements, on the conclusions of the G20 Summit in April 2009.

A motion for a resolution closing this debate was due to be put to the vote on 24 April 2009.

Resolution on the London G20 Summit of 2 April 2009

Following the debate which took place during the sitting of 23 April 2009, the European Parliament adopted by 308 votes to 30 with 25 abstentions a resolution on the London G20 Summit of 2 April 2009. The resolution had been tabled by the EPP-ED, PES, UEN and ALDE groups.

Parliament welcomes the Global Plan for Recovery and Reform. It believes that the task ahead for world's leaders is not to patch up the present financial and economic system, but to recognise that a new balance must be struck in the regulatory framework which would take into account environmental and social sustainability, opportunity, revived global economic growth and job creation as well as social justice and participation. It calls for better and all-encompassing regulation and supervision and for a new regulatory and governance framework to be developed. The G20 should have addressed the problem of global imbalances in trade and finance, which have played a fundamental role in the current economic crisis.

Parliament lauds the G20 for having largely opted for solutions based on loans and guarantees, which will maximise economic effects whilst helping to reduce the long-term impact on government coffers of the package of measures that is worth over USD 1 trillion. It welcomes the agreement to provide EUR 832 billion in additional financial resources for the IMF, other financial institutions and trade finance and the commitment to deliver the scale of sustained fiscal effort needed to restore credit, growth and jobs in the world economy whilst ensuring long-term fiscal sustainability. Members note, however, that no additional European fiscal stimulus was agreed. They recognise that the margin for action is different for each country, but that each needs to act to the limits of its possibilities.

Parliament recognises the essential role of central banks in this effort and their rapid reduction of interest rates, and welcomes the G20's commitment to refrain from competitive devaluation of national currencies, which could trigger a vicious circle. It welcomes the ECB's successive rate cuts to foster growth, and its prompt provision of short-term financial facilities designed to revive inter-bank lending. However, it notes with concern the rapid increases in public debt and budget deficits, and stresses the importance of establishing sound State finances as soon as possible and of ensuring long-term fiscal sustainability in order to avoid imposing too heavy a burden on future generations, noting that, country-by-country this should be considered in the context of total indebtedness.

Parliament deplores the fact that global imbalances, which are at the root of the financial crisis, were not addressed at the G20 Summit. It points out that if financial crises are to be prevented in the future, the underlying causes have to be addressed (i.e. an excessive US deficit financed by excessive Chinese trade surpluses), which have implications far beyond the realm of banking and financial regulation and institutional governance. An effective multilateral response to the crisis must involve addressing the causes of exchange rate imbalances and

commodity price volatility within multilateral frameworks. The European Council is urged, therefore, to adopt a common position in order to tackle those issues before the next G20 Summit in New York.

The resolution welcomes the G20"s decision to promote integrity and transparency in the financial markets as well as increased responsibility of financial actors. It also welcomes the G20 pledge to reform remuneration schemes in a more sustainable way as part of the financial regulatory review and insists on the importance of linking incentives to long-term performance, avoiding incentives that induce irresponsibility and guaranteeing an industry-wide application of the new principles in order to ensure a level playing field. Parliament will remain extremely vigilant regarding the effective implementation of the principles relating to pay and remuneration in financial institutions and calls for the adoption of more stringent measures in this area.

Members also call on the next G20 Summit to agree on coordinated and concrete action both to close down all tax and regulatory havens and to close 'onshore' tax and regulatory loopholes which permit widespread tax avoidance even in major financial centres. They welcome the G20 statement regarding bank secrecy and lauds automatic exchange of information as the most effective tool to tackle tax avoidance. They recommend that the European Union should adopt its own appropriate legislative framework regarding tax havens and calls on its international partners to do the same. Parliament welcomes and fully supports the request made by the EUROLAT Parliamentary Assembly on 8 April 2009 to the EU-LAC countries to act at once to abolish all tax havens on their territory and to work at international level for the abolition of the rest and for sanctions against companies and individuals resorting to their services.

Lastly, it rejects any form of protectionism both in the real economy and in the financial sector as a reaction to the economic downturn and falling world trade.