

India has stake and role in global financial stability: PM

India has vital stake and a role to play in the global economic stability, Prime Minister Manmohan Singh said Thursday as he left for the US capital to attend the G20 Summit among leaders of rich and developing nations to find ways that could reverse the current global economic slowdown and avert a future financial crisis.

'It has become clear over the last several weeks that the effects of the crisis are spreading,' the prime minister said in a statement, before leaving for the Nov 15 Summit in Washington, called by US President George W. Bush.

'In varying degrees, all countries will be impacted. We are facing the prospect of a global economic slowdown,' he said, looking forward to exchange of views on the reasons behind the developments and consider measures needed to arrest their negative fallout.

'The summit also has an important role to play in considering corrective measures to prevent future recurrence of such events. The issues involved are complex and will require sustained deliberation over a period of time,' he said.

'As a major developing economy which is getting increasingly integrated with the global economy, India has a vital stake in the stability of the international economic and financial system,' he said.

'I will put forward our views on the need for greater inclusivity in the international financial system - the need to ensure that the growth prospects of developing countries do not suffer and the need to avoid protectionist tendencies.'

Manmohan Singh maintained that the fundamentals of the Indian economy continued to be strong and that his government had taken several steps to ensure adequate liquidity in the system.

'The Indian economy, in fact, has the potential to contribute to global economic growth. My participation in the summit demonstrates this changing landscape of the international economy,' said the prime minister, who had met a wide range of industry leaders and policymakers in the run-up to the summit.

At the summit, Planning Commission Deputy Chairman Montek Singh Ahluwalia will act as the prime minister's 'sherpa' - a key aide who carries the burden of negotiations with his counterparts. The Indian delegation includes Finance Minister P. Chidambaram and Economic Affairs Secretary Ashok Chawla.

The leaders of G20 include those of G7 industrial nations and emerging economies like India.

Ahead of his departure, the prime minister said rich nations must do their best to ensure that developing and least developed nations do not suffer on account of the fallout of the financial crisis that has its roots in the US before spreading to Europe.

'Our message to the G20 will be that they must do everything in their power so that the process of development, particularly with regard to the millennium development goals, is not adversely affected by the global economic crisis,' he told a press conference here.

'The international institutions, both the IMF (International Monetary Fund) and the World Bank, and regional development banks, must be strengthened to ensure that the fallout on the developing countries of the global crisis is minimal.'

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