



G20 Meeting in Saudi Arabia

Why in News

Recently, the ministers and central bankers from the world's largest economies participated in **G20 meeting** held in **Riyadh (Saudi Arabia)**.

- It was **presided** by **Saudi Arabia**. **Saudi Arabia** is the [first Arab nation to hold the G20 presidency](#).
- The 2020 G20 Presidency will focus discussions, forums, working groups and Ministerial Meetings under the **theme of “Realizing Opportunities of the 21st Century for All”**.

Key Points

- **Global Economy:**
 - The global economic growth **remains slow** and downside risks due to the geopolitical and remaining trade tensions, and policy uncertainty.
 - Though the economic growth is **expected to increase in 2020 and 2021** due to **loose monetary policy** and an **easing of trade tensions**.
- **IMF' Views at the Meeting:**
 - It projects a **“V-shaped, rapid recovery”** for the global economy, but it warns about the uncertainty around the spread of the [coronavirus \(COVID 19\)](#).
 - The [IMF](#) also warned about other **risks including rising debt levels in some countries as well as climate change**.
- **Demand for Global Taxation System:**
 - It discussed ways to achieve **consensus** on a global taxation system for the digital era by the **end of 2020**.
 - It aims to allow governments to tax digital companies where they do business, rather than where they are registered for tax purposes.
 - India has also demanded closer collaboration between international revenue agencies **to investigate tax affairs of offenders who cross borders for escaping tax investigation**.

G-20

- **About**
 - The [G20](#) is an **informal group of 19 countries and the European Union**, with representatives of the **International Monetary Fund** and the **World Bank**.
 - The G20 membership comprises a mix of the world's largest advanced and emerging economies, representing about two-thirds of the world's population, 85% of global gross domestic product, 80% of global investment and over 75% of global trade.
- **Headquarter**

- The G20 operates **as a forum and not as an organisation**. Therefore, it does not have any permanent secretariat or management and administrative structure.

▪ **Origin**

- **1997-1999 Asian Financial Crisis:** This was a ministerial-level forum which emerged after G7 invited both developed and developing economies. The finance ministers and central bank governors began meeting in 1999.
- Amid **2008 Financial Crisis** the world saw the need for a new consensus-building at the highest political level. It was decided that the G20 leaders would begin meeting once annually.

▪ **Members**

- The members of the G20 are **Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union**.
- One nation holds the **Chair every year**, known as '**G20 Presidency**'. Argentina chaired the G20 summit of 2018 and Japan for 2019.

V-Shaped Recovery

- A V-shaped recovery is characterized by a sharp economic decline followed by a quick and sustained recovery.
- The recession of 1953 is an example of a V-shaped recovery.
- A V-shaped recovery is different from an L-shaped recovery, in which the economy stays in a slump for a prolonged period of time.

[Source: TOI](#)