



G-20 Summit 2022

For Prelims: G-20 Summit, food security, Black Sea grains initiative, Paris Agreement

For Mains: Significance of G20 in India's Foreign Policy, Groupings & Agreements Involving India and/or Affecting India's Interests

Why in News?

Recently, the 17th annual summit of G-20 was hosted by the Indonesian G20 presidency in Bali under the theme '**Recover Together, Recover Stronger**'.

- Now, India has **assumed the charge of the G20 presidency** and the 18th summit will be held in India in 2023.

What are the Outcomes of the Summit?

- **Condemning Russian Aggression:**
 - Member countries adopted a **declaration deploring Russia's aggression in Ukraine "in the strongest terms"** and demanding its unconditional withdrawal.
 - They also recognised that while most members condemned the war in Ukraine, "there were other views and different assessments of the situation and sanctions".
- **Focus on Global Economy:**
 - The G20 economies **agreed in their declaration to pace interest rate rises carefully to avoid spillovers** and warned of "**increased volatility**" in currency moves, a sea change from last year's focus on mending the scars of the [Covid-19 pandemic](#).
- **Food Security:**
 - The leaders **promised to take coordinated action to address [food security challenges](#)** and applauded the [Black Sea grains initiative](#).
- **Climate Change:**
 - G20 leaders **agreed to pursue efforts to limit the global temperature increase to 1.5 degrees Celsius** - confirming they stand by the temperature goal from the [2015 Paris Agreement on climate change](#).
- **Digital Transformation:**
 - Leaders **recognised the importance of digital transformation** in reaching the sustainable development goals.
 - They **encouraged international collaboration to further develop digital skills and digital literacy** to harness the positive impacts of digital transformation, especially for women, girls, and people in vulnerable situations.
- **Health:**
 - Leaders also **expressed their continuous commitment to promoting a healthy and sustainable recovery** which builds towards achieving and sustaining universal health coverage.
 - They welcomed the **establishment of a new financial intermediary fund for pandemic prevention**, preparedness and response (the 'Pandemic Fund') hosted by the

World Bank.

- Leaders reaffirmed their **commitment to strengthen global health governance**, with the leading and coordination role of [World Health Organisation \(WHO\)](#) and support from other international organisations.

What are the Challenges before the G-20 Member Countries?

- **Impact of Russia's Invasion of Ukraine:**
 - [Russia's invasion of Ukraine](#) has **not only created massive geopolitical uncertainty but also spiked global inflation**.
 - The associated sanctions by the West have further queered the pitch.
 - Persistently high inflation — at historic highs in several countries — has eroded purchasing power across these countries, thus dragging down economic growth.
- **Impact of Rising Inflation:**
 - In response to high [inflation](#), **central banks across countries have raised interest rates**, which, in turn, have dampened economic activity further.
 - **Some of the biggest major economies such as the US and the UK are set to face a recession**; others, such as those in the euro area, are likely to slow down to almost a halt.
- **Slowdown of Major Economies:**
 - China, one of the major engines for global growth, is **witnessing a sharp slowdown as it struggles with a real estate crisis**.
- **Rising Geopolitical Rifts:**
 - The world economy is struggling with **geopolitical rifts such as the tensions between the US and China**, the two biggest economies in the world, or the decline in trade between the UK and the euro area in the wake of the Brexit decision.

What is the G20?

- **About:**
 - The G20 was formed in 1999 in the backdrop of the financial crisis of the late 1990s that hit East Asia and Southeast Asia in particular.
 - It aims to secure global financial stability by involving middle-income countries.
 - Together, the G20 countries include 60% of the world's population, 80% of global GDP, and 75% of global trade.
- **Members:**
 - 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 EU.

Way Forward

- The first job at hand for the G-20 Countries is to **contain raging inflation**.
 - But at the same time, governments have to find ways to help the vulnerable without necessarily ballooning the debt levels. A key concern in this regard would be to **ensure that external risks are carefully monitored**.
- A strong, sustainable, balanced, and inclusive recovery requires joint action by the G-20 and this kind of joint action, in turn, **requires not just securing peace in Ukraine but also “help prevent further fragmentation”**.
- On trade, the **G20 leaders need to push for a “more open, stable, and transparent rules-based trade”** that would help address global shortages of goods.
 - **Strengthening the resilience of global value chains** would help protect against future shocks.

Q. In which one of the following groups are all the four countries members of G20?

- (a)** Argentina, Mexico, South Africa and Turkey
- (b)** Australia, Canada, Malaysia and New Zealand
- (c)** Brazil, Iran, Saudi Arabia and Vietnam
- (d)** Indonesia, Japan, Singapore and South Korea

Ans: (a)

Exp:

- The G20 is an informal group of 19 countries and the European Union, with representatives of the International Monetary Fund and the World Bank.
- In order to achieve a robust global economic growth, the member countries which represent and contribute more than 80% of the global GDP came at the premier forum for international economic cooperation, which was agreed by leaders at the Pittsburgh Summit in Pennsylvania (USA) in September 2009.
- The G20 members include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea , Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union (EU).
- **Therefore, option (a) is the correct answer.**

[Source: TH](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/g-20-summit-2022>