



## 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 17<sup>th</sup> 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 18<sup>th</sup> 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**

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