

1. G20 Meeting in Saudi Arabia

Prelims Level: International Institutions – Summits, Working, Organisations

Mains Level: GS-II Important International Institutions, Agencies and fora- their structure, mandate.

Why in News?

- The G20 meeting presided by Saudi Arabia was held recently in Riyadh (Saudi Arabia) in which the ministers and central bankers from the world's largest economies has participated. Saudi Arabia is the first Arab nation to hold the G20 presidency.
- **Theme:** "Realizing Opportunities of the 21st Century for All".

Highlights of the Meet:

Global Economic Slowdown:

- The global economic growth remains slow and faces downside risks due to the geopolitical trade tensions and policy uncertainty. But economic growth is expected to increase in 2020 and 2021 due to loose monetary policy and an easing of trade tensions.

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.

Views of IMF:

- It projected a "V-shaped, rapid recovery" for the global economy, but it warned about the uncertainty around the spread of the Corona-virus (COVID 19).
- The IMF has also warned about other risks such as rising debt levels in some countries and climate change.

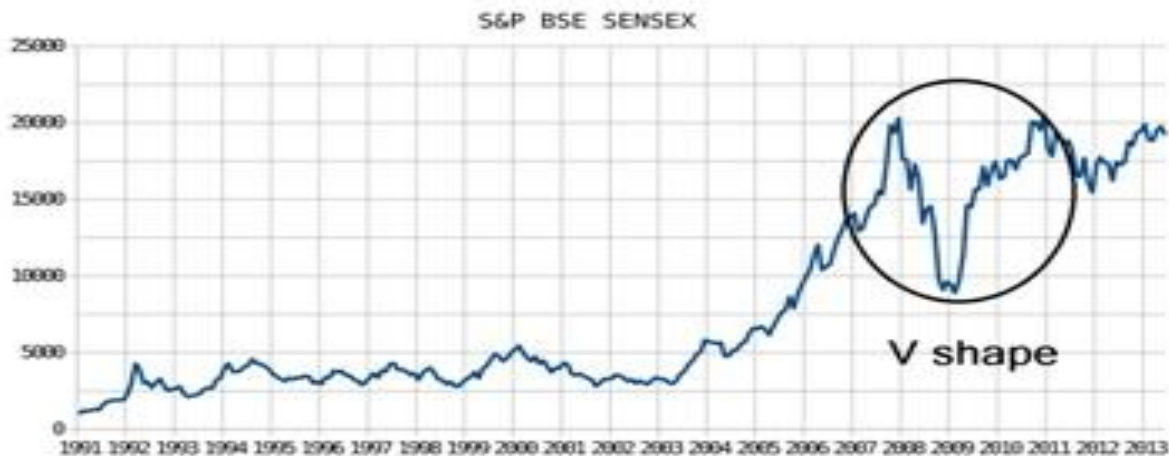
About G20 Grouping:

- 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.

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

What is meant by 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.



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