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## **Statement by IMF Managing Director Christine Lagarde on the G-20 Cannes Summit**

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The following statement was issued today by Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), after the conclusion of the Group of 20 Leaders Summit in Cannes, France:

"I welcome the *Cannes Action Plan for Growth and Jobs* as well as the other steps announced at the Summit, including the measures that will support the IMF in assisting our member countries and in promoting a more sustainable global economy. The G-20 Leaders recognized that we all face daunting policy challenges as the world economy has entered a more uncertain phase. While more work remains to be done, our two days of active discussion in Cannes have shown that we can find common ground for the greater good.

"The G-20 Leaders have reiterated the importance of implementing expeditiously the measures announced by the Eurozone on October 26 toward establishing a comprehensive framework to address the crisis facing the region. The Eurozone Leaders of the G-20 have reiterated their determination to do so. In this context, I welcome Italy's decision to invite the IMF to intensify our surveillance and monitoring work, to help support the major steps being taken by the government on both fiscal adjustment and structural reforms.

"In addition, I am encouraged by the support given by the Leaders to strengthening the role of the IMF in three areas:

- First, I welcome the G-20 commitment to ensure that the Fund will continue to have adequate resources to play its systemic role, for the benefit of our whole membership.
- Second, building on steps already taken to enhance our lending toolkit to help our global membership cope with crises, I will work expeditiously with the IMF's Executive Board towards adopting a new Precautionary and Liquidity Line (PLL)—to provide increased and more flexible short-term liquidity to countries with strong policies and fundamentals facing systemic shocks.
- Third, the G-20 underlined the importance of strengthening further IMF surveillance. In this context, we will make proposals for a new integrated

decision on surveillance early next year—with the goal of increasing ownership, traction and effectiveness.

“The G-20 also took significant steps towards a more stable and resilient international monetary system. This includes agreement on *Coherent Conclusions for the Management of Capital Flows*, as well as steps towards broadening the Special Drawing Rights (SDR) basket— in line with the goal of further diversifying the global currency system.

“The Leaders’ agreement to continue to strengthen financial regulation is also very important. A healthier and safer financial sector is needed to supply the credit needed to finance the recovery and serve the needs of the real economy, including job creation.

“Finally, I would like to underscore again the spirit of multilateral cooperation embodied in the *Cannes Action Plan for Growth and Jobs* and the imperative, now, to implement it. The issues of high unemployment and adequate social safety nets are urgent. The IMF is committed to strengthening our work on the interplay between macroeconomic policy and social issues as a matter of priority—including our collaboration with the ILO.

“The stakes are high. IMF analysis in support of the G-20 Mutual Assessment Process shows that, with appropriate collective action, world GDP could be raised by 1½ percent by 2016, and between 20 million and 40 million new jobs could be added.”

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