

Storchak Updates Russia's G20 Agenda

By [The Moscow Times](#)

April 18, 2013

The  **Moscow Times**

WASHINGTON — Providing new insight into Russia's agenda as G20 president, Deputy Finance Minister Sergei Storchak said that a debt-cutting proposal that the world's 20 largest economies plan to agree on later this year would have different targets for countries depending on their economic conditions.

The new G20 debt agreement is meant as a more ambitious follow-on to the plan agreed to in Toronto in 2010, which set specific debt to gross domestic product targets for the Group of 20.

A document prepared ahead of a G20 finance ministers meeting this week showed that the group was considering a proposal to cut their public debt over the longer term to well below 90 percent of GDP.

Storchak said the specific debt-to-GDP targets would differ among groups of countries based on economic conditions. Russia chairs the G20 this year.

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Sergei Storchak
Deputy Minister

"The approach is going to be flexible and, maybe the most important, what is going to happen is a clear division between short-term goals and medium and long-term goals [for debt reduction]," he said, speaking Wednesday at the Peterson Institute for International Economics in Washington.

"For us as a [G20] club, it's very important that we have this common understanding that debt levels should be sustainable. ... And in different nations sustainability can mean different figures."

Storchak said the debt agreement would come sometime this year, either during a meeting of G20 finance ministers in July, or the G20 summit in St. Petersburg in September.

"If we agree on measures higher than those taken in Toronto, we would consider our presidency a big success," he said.

Speaking at the same event as Storchak, Ksenia Yudayeva, Russia's G20 coordinator, said countries should also stick to their commitment to market-determined exchange rates, first made during the last G20 and Group of Seven meetings in February.

Concerns about "currency wars" re-emerged after the Bank of Japan joined other major central banks in aggressive policy stimulus earlier this month, pledging to inject \$1.4 trillion over the next two years to shock the economy out of decades of stagnation, sending the yen sharply lower.

Global policymakers have said Japan's stimulus would dominate discussions on the world economy at the G20, World Bank and International Monetary Fund meetings this week — especially the effect of ultra-loose policies on asset prices and risks of stoking speculative buying.

Storchak said it was still too early to make any judgments about Japan's policies, and leaders must first hear how about Japan's motivations and how its actions are affecting its trading partners.

U.S. Treasury Secretary Jacob Lew said earlier on Wednesday that it was important for Japan to encourage growth, but Washington was watching Japan's policies closely to ensure Tokyo stuck by its G-7 currency pledge.

But Storchak saved some harsher words for the U.S., which alone is holding up key IMF reforms aimed at boosting the voting power of emerging economies.

U.S. lawmakers last month rebuffed a request by the U.S. administration to approve

a permanent increase in U.S. funding to the IMF, a necessary change in order to finalize a historic plan that would make China the IMF's third-largest member. The quota reform cannot proceed without the United States, which holds a controlling share of IMF votes.

"Frankly speaking, some of us are losing patience already. The decision of this nation is very important for all," Storchak said, referring to the U.S. "It looks like there's no way for us but to interfere. Whether it's going to happen this week, or afterward, we'll see."

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