

Statement of G7 Finance Ministers

Istanbul, Turkey, October 3, 2009

Source: *Bloomberg*

We, the G7 Finance Ministers and Central Bank Governors, met today to discuss economic and financial developments and policy priorities. We have taken decisive and concerted actions to restore financial stability and provide significant economic stimulus. In recent months we have started to see signs of a global economic recovery and continued improvement in financial market conditions. However, there is no room for complacency since the prospects for growth remain fragile and labor market conditions are not yet improving.

We will keep in place our support measures until recovery is assured. We reaffirm our shared interest in a strong and stable international financial system. Excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability. We continue to monitor exchange markets closely, and cooperate as appropriate. We welcome China's continued commitment to move to a more flexible exchange rate, which should lead to continued appreciation of the Renminbi in effective terms and help promote more balanced growth in China and in the world economy.

We reviewed the progress made on delivering G7 action plans and our commitments agreed in the G20 in Pittsburgh. We continue to work together and with other members of the G20:

To design cooperative and coordinated exit strategies for implementation once durable recovery is secured;

To strengthen our financial system by building high quality capital and mitigating pro-cyclicality, implementing strong international compensation standards, improving over-the-counter derivatives markets, and addressing cross-border resolution and systemically important financial institutions;

To develop a new Framework for Strong, Sustainable and Balanced Growth and implement a system of mutual assessment;

To make substantial progress in reforming and reviewing the resources, mandate and governance of the International Financial Institutions to strengthen their relevance, effectiveness and legitimacy.

We remain committed to delivering all necessary action to lay the foundation for strong, sustained and balanced growth and complete our regulatory reform agenda. We will continue to promote the fundamental norms of propriety, integrity and

transparency, as agreed in the Lecce Framework and the Core Values of the Charter for Sustainable Economic Activity.

We pledge to lead by example in adhering to the commitments agreed by G20 Leaders in Washington, London and Pittsburgh.