

G20 agrees to \$1 trillion economic boost

by UPI

LONDON -- World leaders agreed to a \$1 trillion boost for the world economy Thursday, as well as banking reforms, British Prime Minister Gordon Brown announced.

Brown, hosting the Group of 20 summit in London, said the political and financial leaders agreed on a final communique, including a common approach for handling toxic assets and a willingness to "do what it takes" to boost global growth, The Times of London reported.

"Today is the day that the world came together to fight back against the global recession, not with words but with a plan for global recovery and reform," Brown said during a news conference at the end of the summit.

The package does not include a coordinated fiscal stimulus effort proposed by Brown and U.S. President Barack Obama. Brown said the fiscal stimulus efforts previously announced by G20 governments would amount to about \$5 trillion by the end of 2010.

The \$1 trillion announced Thursday would "be made available to the world economy," Brown said. It includes \$500 billion in reserves for the International Monetary Fund and another \$250 billion that would be available to IMF members.

G20 ministers also agreed to provide \$250 billion in trade financing through international institutions and regional development banks over the next two years, the Times said.

Brown said hedge funds would, for the first time, be subject to global regulation, as would tax havens. Ministers also agreed to work on measures to limit bankers' pay and bonuses, he said.

The world leaders also agreed to continue providing assistance to the poor countries to help them weather the financial crisis.

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