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G20 Looks at New Tax

By The Moscow Times

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PARIS — A Group of 20 meeting on Saturday has a "good chance" of breaking a deadlock over which indicators to use to measure global economic imbalances, German Finance Minister Wolfgang Schaeuble said.

But Deputy Finance Minister Dmitry Pankin said there was no agreement yet on the issue of reserves, and other officials said work was still continuing on the details of the group's end-of-meeting communique.

Schaeuble said Germany was backing French proposals to work on increasing transparency in commodity markets and for implementing a financial transaction tax — something they will put again to the group of leading economic powers but which is opposed by many.

"I think we will reach agreement today on which indicators we measure imbalances in the future, to fight timely mis-developments, to come to a balanced growth," Schaeuble told reporters in Paris.

China rejected plans on Friday to use real exchange rates and currency reserves to measure global economic imbalances, casting heavy doubt on the ability of the group to reach agreement.

"We should agree on a broad set of indicators because this gives the best reliable means to fight the wrong kind of development," Schaeuble said.

"Until April in Washington the process of implementation of indicators will be talked about."

Several G20 member states in the past have strongly opposed the idea of a global tax on financial transactions. But Schaeuble said Germany and France would press ahead with the idea in Europe.

"We will support France on that," he said.

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