

Audit Chamber Warns G20 Against Financial Instability

By [The Moscow Times](#)

January 22, 2013

The  Moscow Times

The G20 countries' failure to fulfill their obligations to achieve sustained economic growth and prevent financial instability may undermine confidence in the exclusive club of the 20 most developed industrial nations, the Audit Chamber said in a study, Interfax reported Wednesday.

Russia, which holds the presidency of the group, will host a meeting of G20 finance ministers in February.

The study compared the G20 member states' development levels and analyzed potential risks in the global economy. It concluded that there was a risk that some G20 countries would not be able to fulfill their financial obligations, which could lead to "a loss of confidence in this international institution and damage to its reputation," the Audit Chamber said in a news release posted on its website.

The watchdog found that the general level of the G20 countries' fulfillment of their financial obligations by the G20 countries was insufficient for stable and sustained growth.

"Nonfulfillment of their assumed obligations by G20 countries contributes to the growing risks of failure of global interaction and country defaults caused by inability to service large portions of the national debt, which may directly facilitate the financial and economic crisis in the global economy," the watchdog's news release said.

The study noted that Russia was above the G20 and BRICS average levels in fulfilling its financial obligations in the 2009–2011 period.

The research pointed to significant financial imbalances in the G20 countries manifested through a wide gap between saving and investment as well as differences in the current accounts of the member states.

Given high unemployment and high national debt in the G20 countries, these factors may pose a threat to the global economy's sustained growth, the news release said.

The results of the Audit Chamber's study will be submitted to the Federal Assembly and the Economic Development and Finance ministries, Interfax reported.

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