

Ulyukayev Firm on Rate Policy

By [The Moscow Times](#)

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The Central Bank, host of this week's meeting of Group of 20 finance officials in Moscow, urged joint action to achieve balanced global growth and called on nations not to resort to trade protectionism and currency devaluations.

First Deputy Chairman Alexei Ulyukayev also said he supported the statement issued by the Group of Seven rich nations on Tuesday reaffirming their collective commitment to market determined exchange rates.

"We share this view," Ulyukayev told reporters on the fringes of a conference on Wednesday.

"We have said more than once that, in a modern, globally interconnected world, one-sided actions are counterproductive.

"Measures to stimulate domestic demand and boost domestic competitiveness by lowering the exchange rate of the national currency can, of course, give a temporary boost — but no more than temporary."

The G7 statement, which declared that fiscal and monetary policies would not be directed at devaluing currencies, was quickly undermined by contradictory statements over whether it gave Tokyo a free pass to weaken the yen.

Ulyukayev, responsible for managing worth more than half a trillion dollars of reserves, last month criticized Japan's "protectionist monetary policy."

He restated those views, but avoided singling out Tokyo.

"The temptation arises to solve the problem of growth through local individual action," Ulyukayev told a conference earlier.

"The temptation arises of trade protectionism, currency wars, artificially depressing the exchange rate of national currencies."

The G7 represents rich nations within the G20, a broader forum that includes emerging markets — led by China, India, Russia and Brazil — and accounts for nine-tenths of the global economy.

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