

Improve money market infrastructure: Doha Bank CEO

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DOHA Bank CEO R Seetharaman highlighted major developments impacting global economy at the International Arab Banking Summit 2014 in Paris on Saturday.

He said that according to IMF's April outlook, the global economy was expected to grow by 3.6 percent in 2014. However recently IMF has slashed US growth to 2 percent from its April forecast of 2.8 percent on account of harsh winter and struggling housing market, he said.

The global GDP at constant prices grew by only 2.9 percent in 2013, Seetharaman said adding that it had grown by 4.7 percent in 2005 before crisis and had contracted by 0.4 percent in 2009 immediately after the crisis.

Similarly the global trade had grown by only 2.1 percent in 2013. However it

had grown by 6.5 percent in 2005, before crisis and had contracted by 12.2 percent in 2009, immediately after the crisis. The developments indicate that global economy is recovering too slowly and still has not returned to pre-crisis strength, Seetharaman said.

He dwelt on the basics from the regulatory perspective and macro economic perspective to promote stability and revive growth.

He said, "The scope of regulation should be expanded. It should remain flexible to keep up with innovation in financial markets and should focus on activities, not institutions. Initiatives should be undertaken to reduce rating agencies conflicts of interest and improve investor due diligence."

Greater transparency in the valuation of complex financial instruments is needed, Seetharaman said.



Doha Bank CEO R Seetharaman speaks at the International Arab Banking Summit 2014 in Paris on Saturday.

"Money market infrastructure should be improved. Monetary policy should respond to the build-up of systemic risk. Rules for cross-border financial sector resolution

is required and a credible global liquidity framework is needed," the Doha bank CEO said.

Highlighting the efforts of global governance to revive economy, Seethara-

man said, "G20 aims to lift global growth over the next five years by more than \$2 trillion, creating tens of millions of new jobs across the globe. The plan is to get to a potential increase in G20 GDP of 2 percent or more."

The financial services sector can also play a key role in the revival of global economy, he said adding that G20 country growth strategies would contain a mix of macroeconomic and structural reforms at the domestic level that suit each country's circumstances in areas with the greatest potential to lift global growth.

"It will be focused on increasing quality investment in infrastructure which will create jobs and boost economic growth, reduce barriers to trade, develop reforms to promote competition becoming more productive and innovative and lifting employment and participation," Seetharaman said.