

JOINT STATEMENT

By the Heads of Government (Prime Ministers) of the Member States of the Shanghai Cooperation Organization on the Economic Situation in the World and in the SCO Region

The heads of government (Prime Ministers) of the member states of the Shanghai Cooperation Organization (hereinafter referred to as the SCO) met on November 7, 2011 in St. Petersburg, exchanged views on the economic situation in the world and in the SCO region and note the following.

Today's dynamic world is undergoing major changes. Globalization has a significant impact on the development of the world economy and international relations.

One can observe a desire to create an open, free and just international financial and economic order and maintain an effective dialogue on ensuring financial systems stability. It is becoming increasingly clear that elaboration of solutions to pressing global problems is impossible without the emerging market economies.

The current stage is also characterized by the expansion of regional economic cooperation, increased role of regional organizations and international financial institutions in the world politics and economy.

The global financial and economic crisis has had a negative impact on the global economy, on GDP growth rates in most countries and social well-being of their citizens. The joint measures to mitigate the consequences of the crisis adopted by the international community have led to a certain global economic recovery.

At the same time, the concerns are caused by the continued instability of the global markets, growing uncertainties and signs of slowdown of growth rates in developed and developing economies around the world. Public budget deficits and increased public debt are evermore threatening as they are already leading to serious complications related to their payment and defaults risks. Low level of, and in some cases, declined domestic demand are slowing progress towards stable and sustainable production growth. These unresolved issues and lack of control and regulatory mechanisms of financial, currency and stock markets cause unpredictability regarding future developments in the global market.

The current situation highlights the need for enhanced cooperation of the international community in the field of international finance monitoring and control, and joint efforts to prevent the growth and spread of financial crisis risks and maintain economic stability.

In the conditions of the global financial and economic crisis, the SCO member states relatively quickly and successfully coped with the difficulties encountered and maintained and ensured economic growth. A positive role was played by the adoption by the Council of Heads of Governments of SCO Member States on October 14, 2009 in Beijing and subsequent practical implementation of the Joint Initiative on increased multilateral economic cooperation to mitigate the impacts of the global financial and economic crisis and ensure further economic development of the SCO member states.

However today, the countries in the region are facing new challenges in the field of economic development, ensuring balanced economic growth, as well as in the area of regional stability and security. Addressing these issues requires continued joint work in the framework of international organizations, financial institutions, and between the governments of SCO member states.

In the current situation, of special importance is the need to improve the quality and enhance the economic dimension of the SCO cooperation. The tasks related to increased efforts to minimize the negative effects of the financial and banking sector processes are becoming specifically urgent.

In accordance with the national laws of the member states, the SCO confirms its willingness to encourage and promote cooperation in investments and implementation of mutually beneficial multilateral projects. In this regard, the expeditious completion of the work on establishing SCO mechanisms of project financial support – of the Special Account and the Development Bank – is of special importance.

The SCO faces challenges of deepened cooperation in implementing large-scale projects on the expansion of transport and communication capacity in the region and access to world markets, development of social infrastructure, establishment of modern international centers of logistics, trade and tourism, construction of new enterprises, introduction of innovative and energy-saving technologies, including renewable energy. The key role in efforts to ensure sustainable growth of the national economies of SCO member states will continue to be played by the actions aimed at their strengthened economic potential, foremost their monetary and financial system, increased capitalization and liquidity of national credit institutions, diversified production and improved competitiveness.

The heads of government underline the urgency of increased economic, trade and investment cooperation with the involvement of the potential of the observer states and dialogue partners and of continued economic cooperation with ASEAN, UNESCAP and CIS.

The SCO member states intend to continue to make efforts, jointly with the international community, aimed at building a more just, equitable, inclusive and harmonious international financial order that takes into account the real balance of interests of all its participants and gives all States equal access to the benefits of globalization.