



**FROM THE OFFICE OF PUBLIC AFFAIRS**

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**G8/Broader Middle East and North Africa Finance Ministers' Meeting  
U.S. Treasury Secretary John Snow  
Summary of Meeting, October 1, 2004**

This morning, I hosted a meeting of finance and other economics ministers from the G8 and countries of the Broader Middle East and North Africa (BMENA). This meeting continues a dialogue pursued in September 2003 and April 2004 as well as provides an opportunity to further prepare for the first meeting of the Forum for the Future that leaders from the G8 and the region called for in Sea Island. I stressed that economic freedom can best harness the region's rich human and natural resources to meet the aspirations of its people for jobs and improving living standards. Redefining the role of the state in the economy and allowing people more freedom in their economic decisions will provide them the incentives and opportunities to improve their lives.

Ministers welcomed the strong growth in economies in the region. They agreed it was important to take advantage of the strong global economic environment to implement further reforms to accelerate growth and job creation in our countries. They also welcomed the recent pledge by oil producers to increase production as a contribution to global economic stability.

Ministers from the G8 and BMENA region committed to work together to support market-oriented economic reforms, many of which they noted are already underway. They all stressed that it is vitally important that reform be home-grown and initiated within the region, with strong ownership. They also stressed the importance of peace and security for private sector investment led growth. Our support for reform in the region will go hand in hand with our support for a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, based upon U.N. Resolutions 242 and 338.

Ministers highlighted the importance of developing small and medium sized businesses (SMEs) and the private sector generally through targeted policy reforms and technical assistance. In particular, the ministers welcomed the launch of the International Finance Corporation's (IFC) new facility for technical assistance to support development of small businesses and the private sector in the region, which was approved by the IFC Board on September 28. Donors have already pledged at least \$32.4 million to the facility, and additional donors have indicated plans to contribute. The IFC has also devoted \$20 million of its own resources.

Ministers also agreed to enhance dialogue on economic and trade issues and assess the effectiveness and levels of development assistance to countries of the region. To this end, they asked experts from participating countries and both the regionally based and other development institutions to study and develop a network of funds, taking into consideration existing regional coordination mechanisms and as proposed by G8 and regional leaders in Sea Island, to advise G8 and regional governments on economic growth and job creation and to provide a forum for improved cooperation in improving effectiveness of official financing.

One priority stressed by regional ministers was the need to strengthen human capital and the institutional capacity of governments for development and reform. They asked the Arab Monetary Fund, International Monetary Fund, Arab Fund for Economic and Social Development, Islamic Development Bank and World Bank to consult with interested countries, other official donors, and other institutions active in the region to identify and survey jointly top priorities for technical assistance, particularly monetary, fiscal and financial sector, on a country by country basis and produce a prioritized list for regional governments, G8 and official donors.

To meet the goals of sustained growth, job creation and diversification, ministers underscored the central importance of enhancing the integration of the BMENA region into the global economy. In particular, ministers:

- Supported the ongoing efforts of BMENA countries at the meeting to join the WTO.
- Agreed to discuss at future meetings how each country's ongoing reforms are strengthening its investment climate, with a view to improving certain quantitative indicators that it selects, drawing on work underway in the region.

Regional representatives stressed the need for their economies to be better integrated into the global economy, including through improved opportunities for trade both within the region and with industrial countries. Some Ministers highlighted the importance of financial services liberalization.

All the G8 and BMENA ministers looked forward to the launch of the Forum for the Future to initiate a broad dialogue among their countries. Ministers welcomed the Kingdom of Morocco's offer to host the inaugural meeting of the Forum later this year. The finance and economics ministers agreed to continue their dialogue and participate in the Forum for the Future.