



## **DECLARATION**

of the **Forum for the 21<sup>st</sup> Century on Global Economic Issues**

represented by the

**Association of Southeast Asian Nations**

**Federative Republic of Brazil**

**People's Republic of China**

**European Union**

**Republic of India**

**International Monetary Fund**

**United Mexican States**

**Russian Federation**

and

**United States of America**

based on mutual consensus declare the following:

### **Agricultural policies**

We, participating countries and international organizations,

- i.) Being aware of the need for additional measures to be found in order to provide the developing countries with the impulse of economic growth,
- ii.) Acknowledging that, besides the progress made by the efforts of World Trade Organization in this area, measures hampering the maximization of the effectiveness in the world agricultural trade remain present,
- iii.) Underlining the need of the early finalization of the Doha Development Round,

Agreed that

- 1) The tariff restrictions on agricultural products imports from the developing countries should be minimized to a maximum of 2% by the end of year 2015.



- 2) A meeting will be held in 2017 by the Forum, in order to assess the impacts of minimizing the tariff restrictions.
- 3) We are willing to lower the subsidies, with the amount, percentage and time schedule to be discussed through the multilateral negotiations held by the Forum for the 21<sup>st</sup> Century in 2012. The process of lowering the subsidies should be started by the end of the year 2013.
- 4) The research activities dedicated to identifying new means of aid to the countries suffering from the lack of food will be done and presented by the end of year 2012. Until the policies resulting from the research are adopted, participating countries will direct the development aid mainly into the technical assistance.

#### **World trade imbalances**

We, participating countries and international organizations,

- i.) Seeing the main imbalances in the current world trade caused by certain countries' monetary policies,
- ii.) Considering China's long-term trade surpluses and US trade deficits to be the most pressing issues in the world trade,

Reached a conclusion,

- 1) People's Republic of China agree to gradually level the present value of Yuan compared to US dollar by 5-6% p.a., with the consideration of abandoning the peg to the US dollar to be discussed by the end of the year 2013.
- 2) The participating countries kindly appreciate the willingness of China to cooperate and will wait patiently for results to be seen.

#### **World reserve currency system**

We, participating countries and international organizations,

- i.) Understanding that in the era of global financial and economic crisis, the need of a new reserve currency system becomes apparent,
- ii.) Realizing that the US dollar presently remains the most important reserve currency throughout the world,
- iii.) Approving that the currencies of regional economic leaders ought to be used more on the intra-regional level,

Agreed that

- 1) No national currency ought to become world's only reserve currency, as a single country could not be able to guarantee its long-term stability and liquidity in the future.



- 2) The use of International Monetary Fund's Special Drawing Rights as a global reserve currency ought to be heightened.
- 3) The SDR currency basket should be composed of six currencies and revaluated on a yearly basis in order to reflect the economic reality.
- 4) No currency is to be given an automatic share in SDR's currency basket.
- 5) We will negotiate the concrete composition of changed SDR currency basket in 2011, with the IMF providing its proposal of the composition.

 **Capital and currency flow limitations**

We, participating countries and international organizations,

- i.) Understanding the potentially harmful impacts of the speculative capital flows,
- ii.) Taking the recent financial and economy crisis into consideration,

Agreed

- 1) To reassess the recommendation of the Forum regarding the adoption of legal provisions aimed at protecting economies from speculative financial attacks.
- 2) That any potentially adopted legal provisions are to be in compliance with the international law.
- 3) That the IMF will provide countries and organizations with legally feasible proposals regarding the aforementioned issues.


 **Dealing with the brain drain phenomenon**

We, participating countries and international organizations,

- i.) Perceiving the possible impacts of the brain drain phenomenon on the developing countries,
- ii.) Seeing the remittances being mostly used for the consumption that is covered by the import of goods from the developed countries rather than the domestic production,

Agreed upon

- 1) Enabling 2% of the individual's income tax imposed to be sent voluntarily to a new fund under the supervision and control of the World Bank.
- 2) Countries to be in possession of a single unique account within the fund.
- 3) The fund to be used solely for projects improving country's infrastructure that would create healthy and sustainable base for future economic growth.

 **Energy efficiency**

We, participating countries and international organizations,



# The Model Conference Global Economic Issues

Faculty of International Relations, University of Economics in Bratislava



## Modelová konferencia Hospodárska sekcia

Fakulta medzinárodných vzťahov, Ekonomická univerzita v Bratislave

- i.) Noting that more space should be given to existing scientific studies questioning the pessimistic scenario accepted worldwide to provide us with a different perspective regarding the future use of energy resources,
- ii.) Realizing that using financial resources and scientific capacities to further improve efficiency of already existing facilities is substantial,
- iii.) Taking into consideration that the funding the development of alternative sources of energy should be done based on both environmental and economic arguments,

Agreed that

- 1) The reports measuring the efficiency of the particular energy sources in countries' respective conditions will be prepared by the end of the year 2015.
- 2) To ensure objectiveness, the reports are to be carried out by three independent committees, one of them being international with the other two being national – one from the private sector and one from the public sector.
- 3) Based on aforementioned reports, the countries ought to ensure that the share of the most efficient energy source, except the ones producing greenhouse gases, will rise by at least 20% by the end of the year 2020.
- 4) In the same year, the conference reevaluating the achieved progress will be organized by the Forum for the 21<sup>st</sup> Century.
- 5) Reopening the discussion on the nuclear energy used on peaceful purposes is highly essential.

The signatory parties of this declaration express their readiness to further discuss the presented economic issues within the Forum for the 21<sup>st</sup> Century.

In Bratislava, 29<sup>th</sup> of November 2010

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Federative Republic of Brazil

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People's Republic of China

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European Union

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