

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2497
ANSWERED ON:08.12.2006
IMF REFORMS
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

- (a) whether the first phase of reforms in the international Monetary Fund (IMF) have begun recently;
- (b) if so, the details thereof;
- (c) the reasons for not accepting India`s views in the first phase of reforms; and
- (d) the time by which the second phase of reforms is going to begin and the areas in which reforms are going to take place?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) and (b): Yes, Sir. The first stage consisted of a modest ad hoc increase in quotas for China, South Korea, Mexico and Turkey.
- (c): Over 85 percent of the voting strength of the IMF voted in favour of the first stage.
- (d): The second stage of reforms will begin when a majority of the IMF voting strength votes in favour of a new quota formula, and at least 85 percent of the current voting strength votes for an increase in the level of Basic Votes. The reforms aim to revise quota allocations in line with changing relative economic strength of the member countries of IMF and give greater voice to emerging and developing countries.