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ON THE
GLOBAL FINANCIAL CRISIS OF 2008-2009

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THE CURRENT GLOBAL FINANCIAL CRISIS: THE DEEPEST SINCE WORLD WAR II

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Background

The current global financial crisis started in July 2007 when investors lost their confidence in the value of securitised mortgages in the United States (US). The turmoil in the US sub-prime mortgages triggered by "reckless" lending institutions was only part of a far more extensive problem in the financial system affecting the entire $20 trillion US housing market. Yet, the extent it reached now is a *global* financial crisis, considered as the deepest one since World War II.

The financial crisis in the US housing market has evolved into a large-scale liquidity crisis as the banks, credit institutions and other players in the financial market preferred to hold cash rather than lending to each other amidst the rush to get rid of the so-called toxic assets. At the beginning, the companies affected were those directly involved in home construction and mortgage lending, and then came the financial institutions which had engaged in the securitization of mortgages. After the federal takeover of Fannie Mae and Freddie Mac on 7 September 2008, which at that point owned or guaranteed about half of the US's mortgage market, the 14th of September 2009 was the date when the financial crisis entered a severe-impact phase marked by failures of some prominent American and European banks, like the bankruptcy of Lehman Brothers, which is the largest in US history with Lehman holding $639 billion in assets (Mamudi, 2008).

The crisis has been deepening with a global reach since September 2008 affecting a wide range of financial and economic activities and institutions around the world. The early impacts of the current financial crisis have been ensued in various countries and industries in terms of overall tightening of credit, steep declines in financial markets, liquidity problems in equity funds, devaluation of the assets underpinning insurance contracts and pension funds, increased public debt due to provision of public funds to financial services and other affected industries, devaluation of some currencies and increased currency volatility. As a result, a considerable number of stock markets, banks, mortgage lenders and insurance companies worldwide collapsed.

As the crisis deepened, the governments of major developed and developing countries as well as international financial regulators attempted to take some mitigation actions and coordinate efforts to contain the crisis. These actions and efforts included substantial capital injection into financial markets and interest rate cuts by major central banks like the US Federal Reserve, Bank of England, and the European Central Bank. For example, the US, at the core of the crisis, enacted on 3 October 2008 the Emergency Economic Stabilization Act, creating a $700 billion Troubled Assets Relief Program to purchase failing bank assets, especially mortgage-backed securities, and inject capital into banks. The British government on 8 October 2008 also launched a £500 billion bailout plan which aimed at injecting capital into the financial system and nationalized most of the financial institutions in trouble. These stabilization attempts were followed by cuts in interest rates by central banks in the US (Fed), England, China, Canada, Sweden, Switzerland and the European Central Bank in a coordinated effort to aid world economy.

As the crisis has resulted in negative effects on real economies of the developed countries, where output is expected to contract by around 3% in 2009, the developing countries have also started to suffer from the crisis due to decline in capital inflows and shrinking volume of international trade as a result of the sharp fall in global demand for exports. As a consequence, a number of developing countries also launched support packages to stimulate their economies unlike the large rescue packages by the developed countries mostly devoted to bailout programmes.

Yet, it is widely argued that these efforts will only fix the financial crisis, but that the worst is still to come: if the liquidity crisis continues, there could be an extended global economic recession with recovery unlikely for at least two years.

Impacts on World Economies: the Worst is Still to Come

The current global financial crisis first and most severely hit the developed economies, particularly the US –where the crisis emerged– and European countries that are well-integrated financially. Defaults on securitized sub-prime mortgages led in a short time to a liquidity crisis resulting in failures of many major financial institutions and a collapse of interbank and stock markets. Eventually, with the tightening credit market accompanied by loss of confidence and rising uncertainty, the real economy also entered a period of severe contraction with unprecedented growth in unemployment.

From Developed to Developing Countries

The global economy is now undergoing a deep economic downturn, with negative effects on both financial and real sectors not only in developed countries but also in developing countries. Most of the developing countries which survived the first wave of the storm due to little or no exposure to subprime mortgages are now being severely affected. Indeed, developing countries are now exposed to the global crisis more than in the previous occurrences given that they are currently more integrated with the global economy through trade, FDI, and remittances. Therefore, the current crisis, though rooted and deepened in developed countries, is now imposing serious adverse effects on developing countries, particularly those with high level of integration in world economy and international markets. In this context, the main transmission channels have been through the contraction of international trade and accompanying fall in commodity prices and the reversal of financial flows. Consequently, the following problems have been the major gifts of the crisis to developing countries:

- Slowdown in economic growth
- Fall in export demand and commodity prices
- Sharp drops in private capital inflows
- Interruption in flows of ODA and remittances
- High exchange-rate volatility
- Deterioration in current account balances
- Increase in unemployment

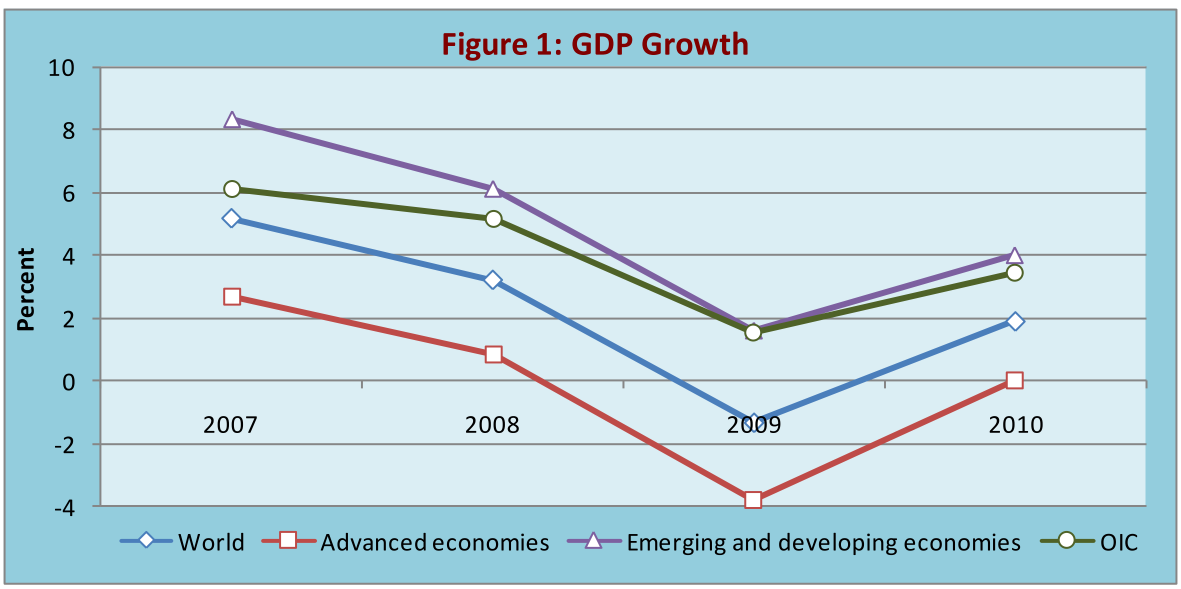
Slowdown in Economic Growth

It is commonly believed that the forthcoming recession in the world economy due to the crisis will be the worst since the Great Depression of 1930s, with negative world economic growth for 2009, particularly for the major developed countries like the US, Canada, the UK and Japan as well as the Euro area. Moreover, world economic outlooks of many international developmental agencies and institutions are still revised downwards. For example, while, in October 2008, the IMF predicted a worldwide growth for 2009 by 3.0%, this was later revised down twice to 2.2% and then to 0.5%. Lastly, the WEO Report of April 2009 announced a projection of further contraction by 1.3% in world output in 2009 with leading advanced economies to experience a sharp contraction in growth while the developing countries to have a growth rate as low as 1.6% (see Table 1).

Table 1: Revisions by IMF for 2009 Growth Projections				
	WEO Oct.2008	**Update Nov.2008**	**Update Jan.2009**	**WEO Apr.2009**
World	**3.0**	**2.2**	**0.5**	**-1.3**
Advanced Economies	**0.5**	**-0.3**	**-2.0**	**-3.8**
Euro Area	0.2	-0.5	-2.0	-4.2
USA	0.05	-0.7	-1.6	-2.8
Japan	0.5	-0.2	-2.6	-6.2
Emerging and Developing Economies	**6.1**	**5.1**	**3.3**	**1.6**

Source: IMF World Economic Outlook (WEO) Databases and Updates.

IMF's April World Economic Outlook has revealed that the slowdown in global economic activity will continue in 2009 while 2010 will mark a sluggish recovery. As shown in the Figure 1, global economic growth will decrease from 3.2 percent in 2008 to -1.3 percent in 2009. Similarly, in developing and emerging economies, growth will show a sharp decline from 6.1 percent in 2008 to 1.6 percent in 2009. In the OIC member countries, on average, output growth will decline significantly from 5.1 percent in 2008 to 1.5 percent in 2009.



Source: IMF World Economic Outlook Database, April 2009.

Fall in Export Demand and Commodity Prices

WTO estimates show that the volume of global exports in goods and services will decrease by 9% in 2009, the largest decline since World War II (WTO, 2009a). Exports will fall by 10% in developed countries while in developing countries exports will fall by 2-3% in 2009. Given the fact that most of the developing countries like China, India, Turkey, Korea, Malaysia, and many others rely heavily on trade to attract investment, create jobs, and reduce poverty, the fall in exports will pose severe socio-economic implications for these economies.

Another blow to exports earnings of developing countries will come from decreasing commodity prices. The World Bank estimates that energy prices will decline by 25% while non-energy commodity prices will decline by 23% in 2009. In this regard, OIC member countries which exports manufactured goods like Indonesia, Malaysia, Turkey and some others are already suffering from the decrease in global demand for durable goods. In Indonesia alone, the exports of electronic products –accounting for 15% of total exports– fell by 25% in value between January 2008 and 2009. OIC member countries in Africa are highly dependent on commodity prices as in the case of Gabon and Nigeria where oil provides 50 percent of export revenue, and Côte d'Ivoire and Guinea where cocoa and minerals account for a fifth of revenues. Similarly in MENA region, despite trade diversification in some countries, oil exports are still the major source of earnings for the majority of member countries.

Another related problem will be looming in the area of trade financing. Global trade is highly dependent on trade credit and nearly 90% of trade is traditionally financed by the short term credit. Now, due to financial and economic crisis the credit market has been dried up. In 2008, WTO estimated a trade financing gap of US$ 25 billion which will further aggravate prospects for the developing countries which are more dependent on trade.

Sharp Drops in Private Capital Inflows

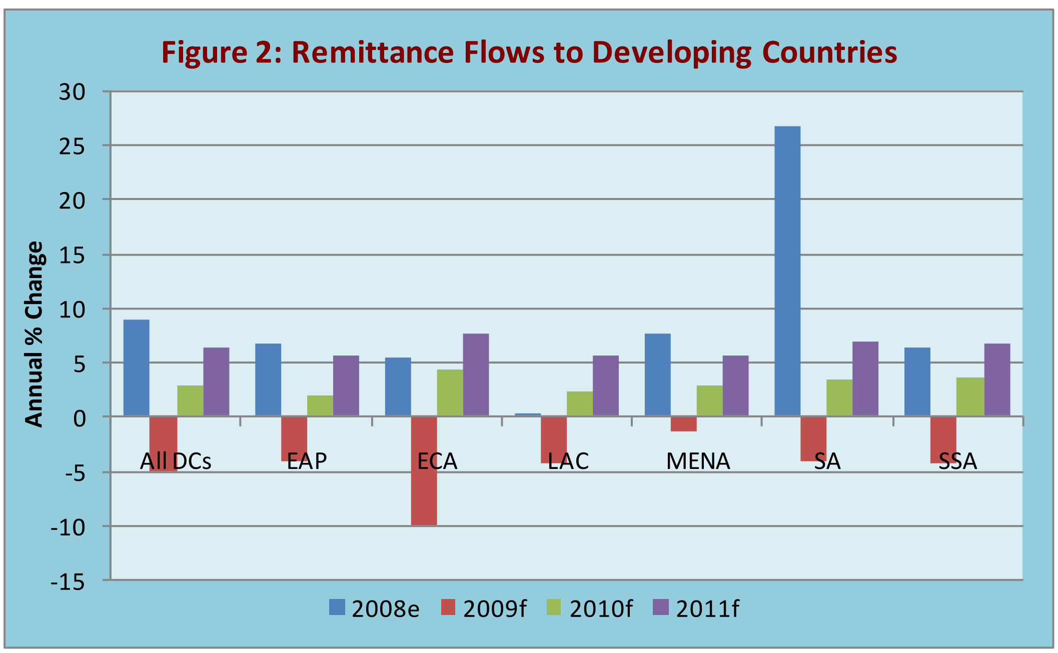
Foreign Direct Investment (FDI) is considered as a major source of financing for both public and private sectors in the developing countries lacking strong domestic financial systems. Amid the current financial and economic crisis, global FDI flow has shown downward trend and, according to UNCTAD, 2009, global FDI fell by 21 percent annually in 2008, after five years of strong growth and a record level of US$1.8 trillion in 2007. Developed countries witnessed the sharpest downturn of 33 percent while FDI flows to developing countries remained positive in 2008. However, growth rate decreased from over 20 percent in 2007 to 3.6 percent in 2008. Developing countries in regions like Africa which received huge amount of FDI in recent years may face sharper decline in FDI mainly triggered by the decrease in commodity prices, as most of the FDI in these economies was resource motivated.

According to the World Bank and the Institute for International Finance, private capital flows to developing countries declined by about $500 billion in 2008 from 2007 levels, and a further decline by about $630 billion is forecast for 2009 (UN-DESA, 2009a). The World Bank also estimates that 104 developing countries are expected to fall short of covering their external debt coming due in 2009, and their total financing needs to exceed $1.4 trillion. The United Nations, on the other hand, has estimated that developing countries would need around $1 trillion for 2009 and 2010, half for covering short-term financing needs, and half for long-term development lending and assistance (UN-DESA, 2009b).

Interruption in Flows of ODA and Remittances

Official Development Assistance (ODA) has been an important source of financing for many developing countries. A recent UNCTAD publication (UNCTAD, 2009) has shown that banking crisis in donor countries during the past 30 year confirm a positive correlation between banking crisis and shrinking ODA. Provided the fact that developed countries were falling short of their commitments even before the onset of current financial and economic crisis, UNCTAD expects that crisis will cast negative impacts on flow of ODA to low income developing countries, thus further aggravating the prospects for achieving the Millennium Development Goals (MDGs) in these countries. In this regard, OIC member countries, especially those classified among the least developed countries will be hard hit by decrease in ODA flow.

Over the years remittances has also emerged as an important source of finance for the developing countries. In 2008, developing countries received US$ 305 billion inflow of remittances. However, due to financial crisis, growth rate of inflow decreased from 22% in 2007 to 8% in 2008 (World Bank, 2009). Provided the fact that financial crisis has severely damaged the developed economies where majority of workers from developing countries are employed; remittances inflow to developing countries is expected to fall by 5 to 8 percent in 2009. Although remittances inflow will show negative growth across all developing regions, some regions like South Asia (SA) and Europe & Central Asia (ECA) will witness sharper decline compared to other regions (Figure 2).

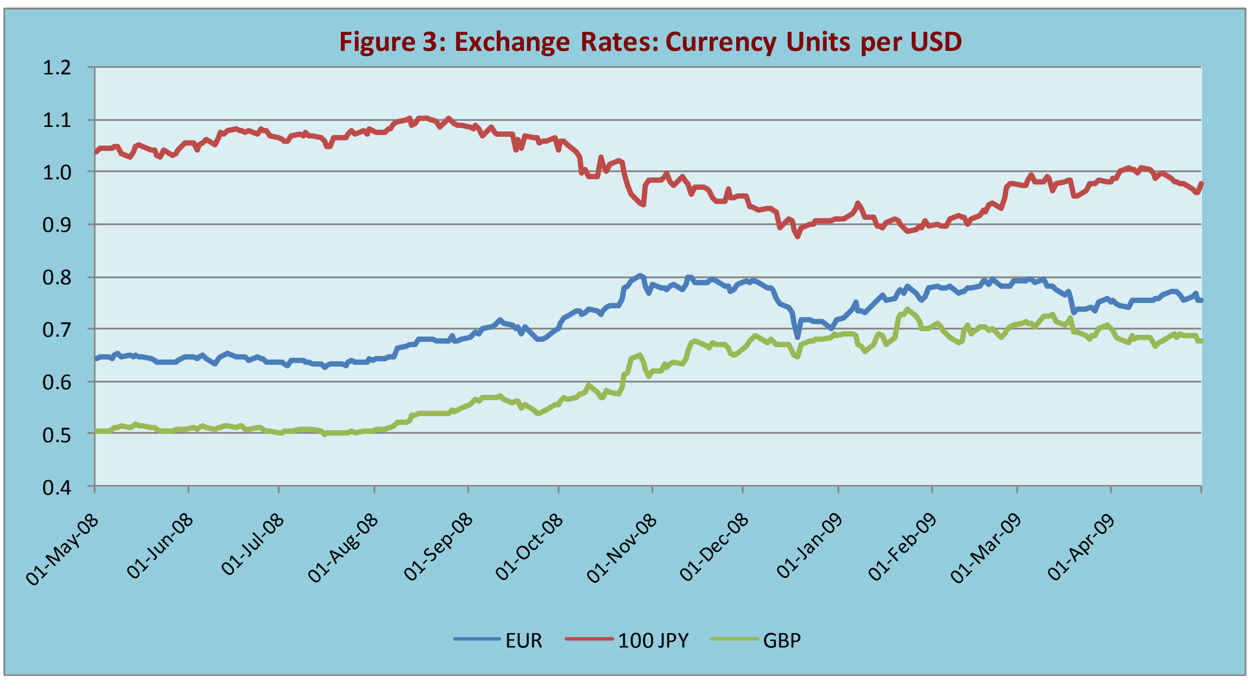


Source: World Bank. (2009). Outlook for Remittance Flows 2008-2011. *Migration and Development Brief,* No: 9.

Remittances inflow to OIC member countries has increased from US$ 73 in 2007 to US$80 billion in 2008 though growth rate of inflow decreased from record high 24.7% in 2007 to 10.3 % in 2008. OIC member countries accounted for 26% of total remittances received by the developing countries in 2008. As negative growth has been forecasted for the remittances inflow in developing countries in 2009, hence OIC member countries will also witness substantial decline in this regard. Member countries like Tajikistan, Lebanon, Jordan and Guyana, where remittances account for 20 to 40 percent of GDP, will be more affected than the others.

High Exchange-Rate Volatility

The current crisis has led to higher exchange rate volatility that translates into increasing uncertainty and rising costs of international trade. Until the summer of 2008, the US dollar had weakened against the euro, but in the afterwards and especially after the collapse of Lehman Brothers in mid-September, the US dollar appreciated against the euro as well as British pound (GBP) (Figure 3). The increasing risk aversion worldwide that results in a significant increase in portfolio flows into the US in addition to a widespread shortage of dollar liquidity in financial markets contributed to the appreciation of the dollar.

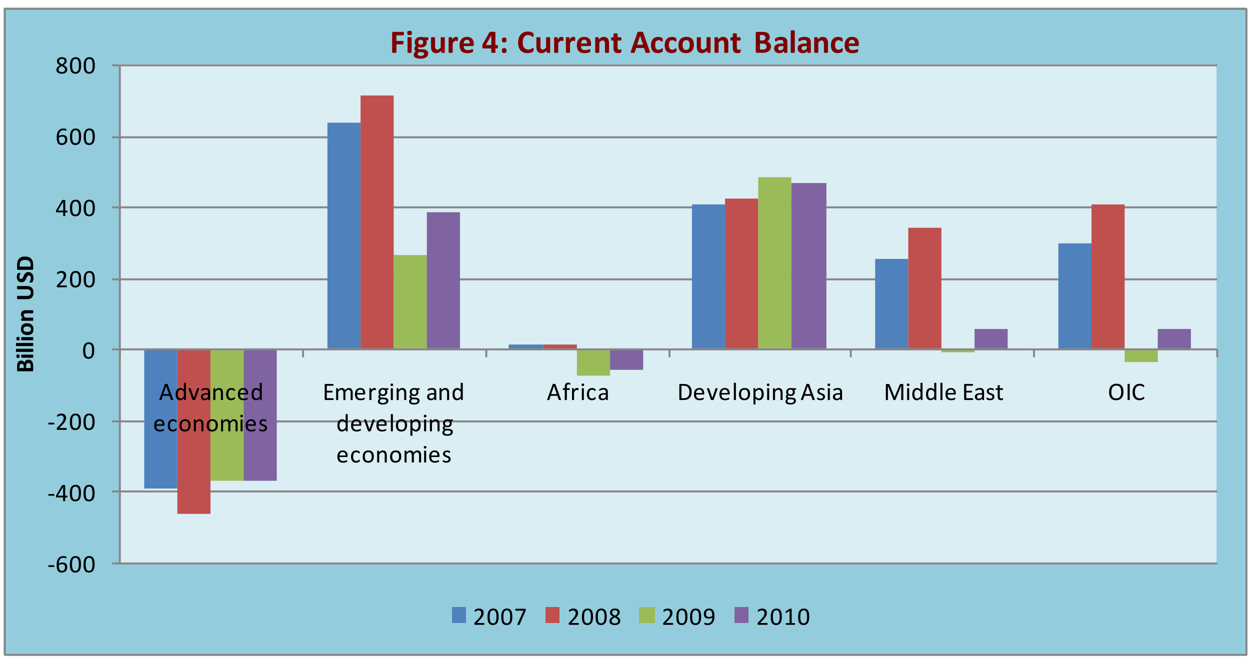


In this regard, most of the currencies of the developing countries including those with a pegged exchange rate to the euro have depreciated against the dollar. On the other hand, those with a pegged rate to the dollar have experienced appreciation in their currencies. To the extent that the changes in nominal exchange rates turn into movements in real exchange rates, countries with appreciation in their currencies will face weakening competitiveness. For the others, however, the increase in competitiveness does not necessarily imply an increase in their export due to weak global demand.

Deterioration in Current Account Balances

The decline in global demand, the fall in commodity prices, and the credit crunch in the export markets have been the main sources of the decrease in the volume of exports worldwide. Therefore, countries are already facing or will soon be facing declines in export revenues, indicating a clear shock on current account balances, although some countries also have lower import values due to lower commodity and oil prices. On the other hand, the decline in remittances inflows is also an important element of the negative impact of the crisis on the current account balances of many developing countries.

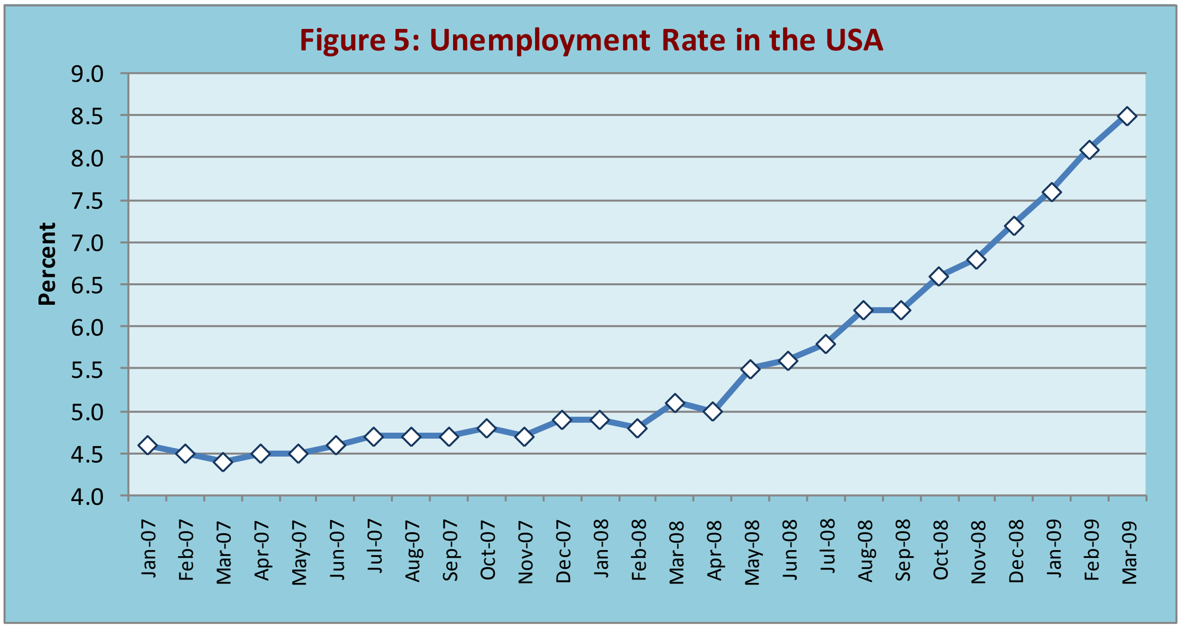
In light of the recent estimates by the IMF, Figure 4 shows that the advanced economies will have a slight improvement in their current account deficit in 2009 while the emerging and developing countries see a sharp decline in their surplus. Africa and the Middle East will suffer deficits unlike the developing Asian countries, which will experience an increase in their surplus. On the other hand, the OIC member countries, which have been giving increasing surpluses in recent years (above $400 billion in 2008), will face a deficit of around $35 billion, due mainly to sharp decline in oil revenues of the major oil exporting countries in the Middle East.



Source: IMF, World Economic Outlook Database, April 2009.

Increase in Unemployment

The global economic slowdown triggered by the crisis is leading to a rapid rise in unemployment. New investment/business projects are being postponed and most of the current ones are on hold due to the negative effects on the real economy and the pessimistic perceptions caused by the crisis. Given the slowdown in economic activity and the decrease in the volume of production as a result of the weak global demand, the business sector has had to reduce workforce to save cost. Consequently, many developed countries, in particular the US, are experiencing substantial increases in unemployment. Unemployment rate in the US has been significantly rising in recent months, reaching up to 8.5 percent in March 2009 compared to 6.2 percent in September 2008 (Figure 5). Since the beginning of the recession in December 2007, 5.1 million jobs have been lost, with almost two-thirds (3.3 million) of the decrease occurring in the last 5 months (BLS, 2009).



Source: LBS. (2009). *The Employment Situation – March 2009*. US Bureau of Labor Statistics.

At the other side, developing countries are also suffering unemployment pressures imposed by the crisis. Before the current crisis, many low- and middle-income countries were severely affected by increases in food and fuel prices while some others obtained significant gains. Now, with a fall in global demand, prices have fallen, to the advantage of net importers but to the detriment of those more dependent on export revenues, with rising unemployment pressures in the export sectors.

According to the ILO, due to the crisis, at least 20 million jobs will have been lost globally by the end of 2009. These jobs, which are predicted to be mostly in construction, real estate, financial services and auto sectors, will bring world unemployment above 200 million for the first time.

Spillovers to Developing Countries by Regions

Central & Eastern Europe and the CIS: They are the most adversely affected, given their large current account deficits. Some countries are expected to face sharp declines in capital inflows.

Latin America: Tight financial conditions and weak external demand are the main factors leading to decelerating growth.

Emerging Asia: The region is mainly affected by the shrinking exports due to the region's high dependence on high technology exports.

Africa: Growth is slowing, yet to a less extent than in the other regions. Slowdown is expected particularly in commodity exporting countries. Several countries are suffering from weakening demand for their exports, lower remittances, and foreign direct investment, while aid flows are under threat.

Middle East: The effects of the financial crisis have been more limited –mainly through decreasing oil revenues– as they are financially less integrated with the world economy.

Impacts on LDCs

The least developed countries that are net food and oil importers have already been suffering from the recent boom in oil and commodity prices, and therefore facing inflationary pressures and accumulating fiscal imbalances. Although commodity and energy prices have recently fallen at a significant level, these countries continue to suffer. Moreover, the commodity exporters are now hit hard due to weaker demand for their exports. The collapse of their exports while aid flows are constrained put extra constraint on their current account balances. These developments endanger the efforts spent so far to achieve the MDGs, particularly that on poverty alleviation.

Impacts on Oil-Exporting Countries

Low global investment and declining demand for oil due to the serious downturn in global economic activity, with stable oil prices of $40-45 per barrel after a sharp decline from record high level of above $145, resulted in a sharp fall in oil revenues of oil-exporting countries. The declining revenues in turn imposed negative effects on them due to increased spending to stimulate their economies and create jobs.

Impacts and Policy Response: Selected OIC Member Countries

Turkey: In Turkey, industrial output declined by 21.3% in January 2009, particularly in the production of motor vehicles, which dropped by 60%. Unemployment rose to 13.6 % in the last three months. So far, 6 fiscal packages have been announced, and 3-4 more are to come in the next 3 years. 36 measures to address the crisis summed to around $34 billion for 2008-2010. These included 20 measures on revenues ($8.9 billion), 11 measures on expenditures ($17.2 billion), and 6 other fiscal meusures indirectly related to the budget ($7.9 billion) (HaberTurk, 2009).

Table 2: Turkish Government Projections

	2008	2009	2010	2011
Growth (%)	1.1	-3.6	3.3	4.5
Current Account Deficit (Billion $)	41.7	11.0	18.6	26.4

Source: Turkish Statistical Institute, Statistical Databases; Haber7, Ekonomi Kurmayları Yol Haritasını Çizdi, 13.04.2009.

Government officials project that GDP in Turkey will decline by 3.6 percent in 2009 and recover in 2010 with 3.3 percent growth. On the other hand, current account deficit, with a significant decline in trade volume, is projected to fall down to $11 billion from its 2008 level of $41.7 billion (Table 2).

Malaysia: Malaysia recently joined the growing list of countries hit by the global crisis. In November 2008, the government rolled out a 7.0 billion ringgit (≈ $1.95 billion) fiscal stimulus package. The Malaysian Government, on 10 March 2009, announced a second fiscal stimulus package of 60 billion ringgit (≈ $17 billion) that accounts for 9% of GDP and includes direct measures to support employment (Khor, 2009).

A report by the WTO revealed that, in the last six months, Malaysia also;

- Eliminated the import duty on cement.
- Liberalized the imports of iron and steel products.
- Eliminated the import licenses for the construction and manufacturing sector.

"The purpose of these measures is no doubt various, but each one presents an example of trade policies contributing positively to help reverse the contraction of global trade" (WTO, 2009b)

Indonesia: Growth of exports, with a fall by 6 percent, predicted to drop below zero in 2009. Suffering from the decreasing exports, export-related enterprises in the country have come to expand lay-offs so as to save their costs. Many analysts in Indonesia lost their confidence in the 4.5 percent economic growth this year, with Bank Indonesia, in March, reduced its economic growth expectation to 4 percent.

The government launched a stimulus package of Rp 73.3 trillion ($6.3 billion) to strengthen consumers' purchasing power and infrastructure development. Of this package, 76.8% was dedicated to tax cuts, 16.6% to infrustructure projects, and 6.5% to energy-saving investments. The stimulus package is expected to increase the 2009 budget deficit to $11.6 billion, or 2.5% of GDP.

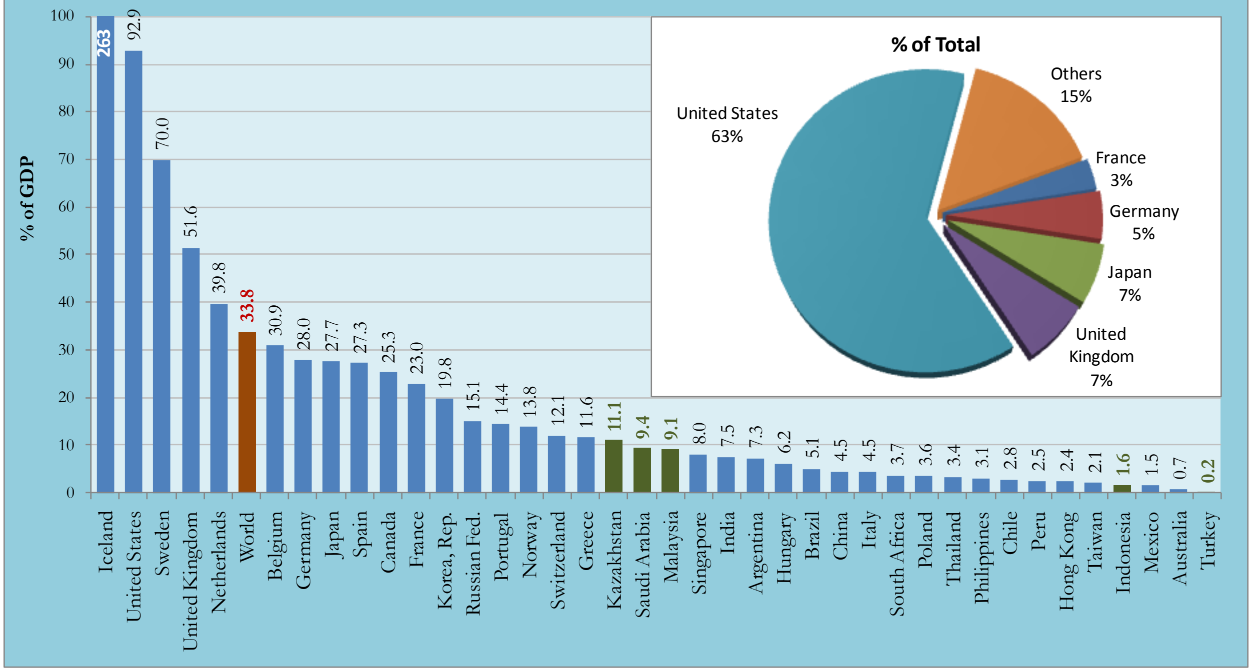
Arab Countries: The president of the Arab Monetary Fund (AMF) declared that *"the financial indicators show a limited impact of the crisis on the Arab World"*. On the other hand, Director General of the Arab Planning Institute (API) stated that *"the Gulf countries were not exempted from the global financial crisis that had affected oil prices and caused crash of stock markets."*

According to Kuwait-based Global Investment House, the total net income of the GCC listed companies dropped by 19.8% in 2008 compared to 2007. Out of the 466 listed companies, 283 suffered a decline in their annual earnings while 109 firms incurred losses.

Financial Sector Rescue Packages and Fiscal Stimulus Packages

Major developed countries and several developing countries have allocated substantial amount of financial sector rescue packages and large fiscal stimulus packages to contain the crisis. Since the outbreak of the crisis up to March 2009, the total support by 39 countries (mostly developed) is estimated at $20.9 trillion or 33.8 percent of the estimated World Gross Product (WGP) for 2008 (UN-DESA, 2009a). Most of these resources were for financial bailout packages and only five developed countries, namely the USA, the UK, Japan, Germany, and France accounted for 85 percent of this amount (Figure 6). The fiscal stimulus plans sum to about $2.6 trillion or 4 percent of WGP, to be spent over the 3-year period 2009-2011. Hovever, this amount is still considered to be insufficient, as suggestions focus on 3 percent of WGP per annum (UN-DESA, 2009b).

Figure 6: Public Funds Committed to Address the Global Financial Crisis*



Source: UN/DESA Montly Briefing WESP No.7
* Between 1 September 2008 and 31 March 2009.

Global Considerations on Mobilizing Additional Resources for Financing

To mitigate the effects of the crisis, particularly on developing countries, and meet the additional liquidity worldwide, a number of proposals were put forth by leading international organizations. Among them was the issuance of SDRs and doubling (as proposed by the EU) or tripling (proposed by the United States) the IMF's existing lending capacity of $250 billion. In this respect, Japan has already lent $100 billion of its reserves to increase the IMF's lending capacity. The European Union has also committed EUR 75 billion. China and some of the major oil-exporting countries are also expected to contribute similarly. Mobilization of reserves and resources accumulated in sovereign wealth funds from surplus countries was also proposed to overcome the current financial imbalances among countries. In this regard, ASEAN countries have already agreed to increase resources for liquidity provisioning through the Chiang Mai Initiative (their main mechanism of regional financial cooperation) from $80 billion to $120 billion. The World Bank also proposes the creation of a "vulnerability fund", to be financed from 0.7% of each developed country's stimulus package (UN-DESA, 2009a; IMF, 2009c).

G20 London Summit: Decisions

Amidst the deepening crisis, the Leaders of the Group of Twenty (G20) met in London on 2 April 2009 with the notion that a global crisis requires a global solution. They pledged to do whatever is necessary to:

- restore confidence, growth, and jobs;
- repair the financial system to restore lending;
- strengthen financial regulation to rebuild trust;

- fund and reform our international financial institutions to overcome this crisis and prevent future ones;
- promote global trade and investment and reject protectionism, to underpin prosperity; and
- build an inclusive, green, and sustainable recovery.

Within the global plan they constituted for recovery and reform, they agreed to;

- treble resources available to the IMF to $750 billion;
- support a new SDR allocation of $250 billion;
- support at least $100 billion of additional lending by the MDBs;
- ensure $250 billion of support for trade finance;
- use the additional resources from agreed IMF gold sales for concessional finance for the poorest countries; and
- constitute an additional $1.1 trillion programme of support to restore credit, growth and jobs in the world economy.

Views on the Solutions

It is widely agreed that the downside risks to the world economic growth calls for concerted and coordinated policy action at national and international level. As IMF described it, the current crisis is partly a "crisis of confidence", confidence in the global financial system. Restoring confidence in international financial system is key to resolving the crisis, and thus, greater international policy cooperation is crucial. The current global financial crisis and economic conditions could rebound faster than anticipated if policy measures at both national and international levels are credibly strengthened.

Recommendations by the Commission of Experts on Reforms of the International Monetary and Financial System

Led by Nobel Laureate Joseph Stiglitz and commissioned by the President of the General Assembly, a group of experts proposed far-reaching changes in the international financial structure, and strong measures to overcome the current global economic crisis. The recommendations focused on the following titles[1]:

1. All developed countries should take strong, coordinated, and effective actions to stimulate their economies.
2. Developing countries need additional funding.
3. Mobilizing Additional Development Funds by the Creation of a New Credit Facility.
4. Developing Countries need more policy space.
5. The lack of coherence between policies governing trade and finance must be rectified.
6. Crisis response must avoid protectionism.
7. Opening advanced country markets to least developed countries' exports.
8. Learning from Successful Policies to undertake Regulatory Reforms.
9. Coordinating the Domestic and Global Impact of Government Financial Sector Support.
10. Improved coordination of global economic policies.

[1] For the full report see http://www.un.org/ga/president/63/letters/recommendationExperts200309.pdf

The recommendations were considered at a Thematic Interactive Dialogue on the crisis[2] that took place 25-27 March at the UN headquarters in New York. Both the recommendations to the General Assembly and the Interactive Dialogue will be considered in the preparatory process leading to the upcoming International Conference on the Global Economic and Financial Crisis and its Impact on Development, to be held 1-3 June in New York.

The report of the experts also included an "agenda for systemic reform" to the international system that suggested;

1. A New Global Reserve System.
2. Reforms of the Governance of the International Financial Institutions.
3. A Global Economic Coordination Council.
4. Better and more balanced surveillance.
5. Reforming Central Bank Policies to promote Development.
6. Financial Market Policies.
7. Support for Financial Innovations to Enhance Risk Mitigation.
8. Mechanisms for handling Sovereign Debt Restructuring and Cross-border Investment Disputes.
9. Completion of a Truly Development-Oriented Trade Round.
10. More Stable and Sustainable Development Finance.

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[2] Interactive Thematic Dialogue of the UN General Assembly on the World Financial and Economic Crisis and Its Impact on Development, 25-27 March 2009, United Nations Headquarters.
For details see http://www.un.org/ga/president/63/interactive/worldfinancialcrisis.shtml

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