[OECD Ministerial Council Statement and Outcomes]

08/06/2023 – Ministers have issued a joint statement at the conclusion of this week's Council meeting at Ministerial level. Under the Chairmanship of the United Kingdom, with Costa Rica and New Zealand as Vice-Chairs, Members met for discussions around the theme "Securing a Resilient Future: Shared Values and Global Partnerships."

Read the 2023 Ministerial Council statement.

The Ministerial Council Meeting (MCM) is the OECD's highest-level forum, attended by Ministers of Finance, Economy, Foreign Affairs, Trade and other government departments from OECD Member and Partner countries, and by representatives of International Organisations.

This year's MCM was opened by OECD Secretary-General Mathias Cormann, United Kingdom Secretary of State for Foreign, Commonwealth and Development Affairs James Cleverly, Ukrainian Prime Minister Denys Shmyhal, Costa Rican Minister of Foreign Trade Manuel Tovar, New Zealand Minister of Trade and Export Growth Damien O'Connor, Indonesian Minister of Finance Sri Mulyani Indrawati, and Indian G20 Sherpa Amitabh Kant.

During the two-day meeting, Ministers welcomed the launch of the Ukraine Country Programme and welcomed the adoption of a new OECD Strategic Framework for the Indo-Pacific. Additionally, they welcomed:

- the OECD's Contribution to Promoting Gender Equality, the proposed Flagship Report on Gender Equality, the OECD Dashboard on Gender Gaps, the new Gender Data Initiative, and looked forward to the development of gender policy reviews and the establishment of a Gender Equality Forum to embed best practice;
- the updated OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;
- progress made on the OECD-Africa Partnership;
- progress made with the inaugural meeting and growing membership of the Inclusive Forum on Carbon Mitigation Approaches (IFCMA) and encouraged broad membership, including large emitters;
- an Accession Progress Update for Brazil, Bulgaria, Croatia, Peru and Romania,
- the approval of the OECD's Contribution to Promoting Open Markets and a Rules-Based International Trading System in Good Working Order; and
- the creation of the Global Forum on Technology and the OECD Global Forum on Building Trust and Reinforcing Democracy.

Ministers also welcomed the Annual Update on OECD Standard-Setting and adopted the following new or updated OECD legal instruments:

- *Recommendation on Environmental Compliance Assurance*
- *Recommendation on Fighting Bid Rigging in Public Procurement*
- *Recommendation on Improving the Gender Balance in the Nuclear Sector*
- *Recommendation on Intellectual Property Rights and Competition*
- *Revised Recommendation on Principles of Corporate Governance*
- *Recommendation on Regional Development Policy*
- *Recommendation on SME Financing*
- *Recommendation on the Governance of Digital Identity*
- *Revised Recommendation on the International Standards for Automatic Exchange of Information in Tax Matters*
- *Decision-Recommendation concerning Chemical Accident Prevention, Preparedness and Response*
- *Revised Decision on the Guidelines for Multinational Enterprises on Responsible Business Conduct*

More detailed information and supporting documents on meeting outcomes and key issues will be available on the Ministerial Council Meeting website at http://www.oecd.org/mcm/.

Additional background is also available across the OECD platform:

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Statement from OECD Secretary-General Mathias Cormann on the outcome of the G7 Finance Ministers' Meeting

05/06/2021 – OECD Secretary-General Mathias Cormann welcomed today's ground-breaking agreement by G7 Finance Ministers on key elements of international tax reform designed to address the tax challenges of the digitalisation and the globalisation of the economy.

"Governments around the world need to be able to raise the necessary revenue to fund the essential public services and support that their populations require and expect, in a way that is efficient, least distorting and also fair and equitable", said Mr. Cormann.

"The combined effect of the globalisation and the digitalisation of our economies has caused distortions and inequities which can only be effectively addressed through a multilaterally agreed solution.

“Today’s consensus among the G7 Finance Ministers, including on a minimum level of global taxation, is a landmark step toward the global consensus necessary to [reform the international tax system].

“There is important work left to do. But this decision adds important momentum to the coming discussions among the 139 member countries and jurisdictions of the [OECD/G20 Inclusive Framework on BEPS], where we continue to seek a final agreement ensuring that multinational companies pay their fair share everywhere.”

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OECD reports to G7 on need to strengthen economic resilience against crises

23/03/2021 – Creating an emergency Rapid Response Forum to ensure global supplies of essential goods continue to flow during major international crises is one of a broad range of recommendations contained in a new OECD report to the G7 on building economic resilience.

Fostering Economic Resilience in a World of Open and Integrated Markets says the devastating impacts of the Global Financial Crisis and now the COVID-19 pandemic will continue to leave lasting scars on our economies and societies. With the risk of other systemic threats on the horizon – starting with climate change but also spanning security threats, including cyber attackss – it is critical to learn the lessons of these and previous crises in order to tackle the vulnerabilities of our economic system, absorb shocks and engineer a swift rebound.

Ensuring the resilience of global supply chains of essential goods is crucial, the report says. An emergency Rapid Response Forum would provide G7 and other governments with a means of upstream policy co-ordination and, particularly, consultation ahead of the imposition of any trade restrictions. Such an initiative could also prepare timely co-operation on logistics, transportation, procurement, planning and communication.

Commissioned by the UK government, which is currently holding the G7 presidency, the OECD report underlines the need for governments to co-operate both with the private sector through, for instance, supply chain stress tests and emergency planning, and with other countries to boost transparency, discipline export restrictions and adhere to international regulation and standards.

The report says the COVID-19 crisis has caused a huge surge in demand for certain goods, notably in the health and information technology sectors but argues that global supply chains have been part of the solution. After shortages of masks and personal protective equipment, in particular at the beginning of the pandemic, both global production and trade of facemasks later increased tenfold to meet demand.

Strategies based around a reliance on domestic production are unlikely to ensure supply of essential goods and can remove important risk management options such as the diversification of sourcing, the report says. Although temporary scale-up of domestic production for essential goods could be explored as a risk management strategy, reliance on domestic production is not cost-effective nor feasible for strained health budgets, especially for lower income countries, which are almost entirely dependent on global markets to source medical products related to COVID-19. Global supply can allow products to be sourced from the most efficient and cost-effective supplier and enable access to more and different varieties of medical products, ensuring that future surges in global demand are fully met.

Presenting the report alongside Lord Sedwill, chair of the G7 Panel on Economic Resilience, OECD Secretary-General Angel Gurría said: “As we have seen in the past decade alone, in today’s interconnected world, shock events can quickly cascade across borders and economic sectors, and have devastating effects on people’s lives, jobs and opportunities, and on their trust in governments, institutions and markets.”

“Building economic resilience in the face of future shocks is a global challenge for the post-COVID world. For global markets and supply chains to serve as a source of resilience, governments and the public need to have the confidence that markets are and will remain open and fair, including during times of stress.”

Lord Sedwill said: “The unprecedented impact of the covid pandemic on the global economy has highlighted issues of resilience, arising from the growth of monopolies, geopolitical trade tensions, global economic governance falling behind innovation and technology, and the supply of the critical elements essential to the future economy. In response, we should renew our common purpose and commitment to open, well-regulated global markets which promote the green transition, inclusive growth and economic resilience as we build back better.”

The report looks at how to build resilience in global markets, including by reducing distortions and promoting a level playing field for competition, trade and investment. Ensuring global markets are reliable and predictable includes ensuring access to critical raw materials. This calls for enhanced co-operation to develop international agreements for stronger monitoring, notification and disciplines on export restrictions on critical raw materials, promoting responsible sourcing and increasing circularity in this sector. Tackling harmful practices that undermine trust such as foreign bribery is also key.

The OECD proposes governments revise their risk management policies and frameworks to ensure a systemic all-hazards-and-threats approach to resilience with international co-operation playing a central role. This could be supported by a comprehensive evaluation of the lessons learnt from the COVID-19 crisis, including benchmarking and comparison of national preparedness responses.

The OECD says emerging technologies, particularly digitalisation, can contribute to boosting resilience through prevention, absorption and recovery capabilities but can also pose threats. Among its recommendations, the report says governments could strengthen the responsiveness of innovation systems to global policy challenges, reconsidering the way they are organised, structured and financed. It also proposes linking support for innovation more closely to broader public policy objectives and improving international collaboration on emerging technology governance, including by moving towards smarter and more agile regulation.

For further information, journalists are invited to contact the OECD Media Office (tel. +33 1 4524 9700)

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UK: spending to address COVID-19 and Brexit should fit with productivity, social and environmental goals

14/10/2020 – The United Kingdom faces major challenges from the COVID-19 crisis and leaving the EU Single Market. Ramping up investment in the digital economy, the service sector, green infrastructure and adult skills would strengthen the recovery and help to boost productivity and environmental sustainability for the long term, according to a new OECD report.

The latest OECD Economic Survey of the United Kingdom underlines the importance of the emergency support measures put in place to address the coronavirus crisis, but also stresses the need to address longer-term challenges. Active labour market spending for displaced and low-skilled workers should be increased to help workers in sectors with uncertain futures move into quality jobs, and infrastructure spending should focus on the most deprived regions. Low interest rates mean there is room for more stimulus, if needed. Public investment should build on existing efforts to revive productivity growth and transition to a low-carbon economy.

"The combination of COVID-19 and the exit from the EU Single Market makes the UK outlook exceptionally uncertain. Actions taken to address the pandemic and decisions made on future trading relationships will have a lasting impact on the UK's economic trajectory for years to come, so they should be in line with long-term objectives," said **OECD Chief Economist Laurence Boone**. "Productivity growth in service sectors will have to accelerate significantly for the recovery to be long-lasting and sustainable."

The coronavirus crisis erupted against a background of subdued growth, stagnant productivity and flat investment in the United Kingdom and triggered one of the most severe falls in output of OECD countries, reflecting the economy's deep integration in the world economy and the fact that the hard-hit service sector makes up around 80% of UK output and employment.

While a rapid and massive emergency response has helped to steady the economy, the United Kingdom still faces a prolonged period of disruption to economic activity, which risks exacerbating pre-existing inequalities and regional disparities. Most households have reported a drop in income since the crisis. Economic activity will only recover gradually, with several years of high unemployment likely due to business closures and delayed investment. The Survey, assuming a smooth transition to an EU Free Trade Agreement, projects an unprecedented fall in GDP in 2020 of 10.1%, with activity still below its pre-crisis level by the end of 2021. The unemployment rate is projected to be 7.1% in 2021, up from 3.8% in 2019.

Leaving the EU Single Market at the end of year will require firms to adapt. Avoiding a "no deal" outcome would benefit both the United Kingdom and the European Union. Were there to be an EU exit with no free trade deal, the government should be ready to provide targeted support for affected firms and workers and put in place trade facilitation measures to smooth disruptions at the border.

While the increase in barriers to trade resulting from any form of exit from the EU Single Market will lower growth over the medium term, a disorderly exit would be more costly and disruptive. Managing a disorderly exit would be complicated by the fact that firms have diverted their attention to dealing with COVID-19, and those with reduced earnings will be less able to invest in new systems, staff and training.

The UK's Industrial Strategy should help to revive productivity growth – which is key to sustaining jobs and wage growth – yet more could still be done to encourage innovation and reduce gaps in adopting new technology between leading firms and laggards. Overall public investment has been lower than in other leading economies in recent years, and investment in digital infrastructure still lags investment in transport, energy and utilities. These are all areas where the UK lags the best-performing OECD countries and which are likely to bring high productivity gains. Planned spending to improve digital skills could also be more ambitious, as the COVID-19 crisis makes the low level of adult training in the United Kingdom a more urgent concern.

See an Overview of the UK Survey with key findings and charts (this link can be included in media articles).

For further information, journalists are invited to contact Catherine Bremer in the OECD Media Office (+33 1 45 24 97 00).

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