

G20 Leaders 'Declaration: Shaping an interconnected world

Hamburg, 8 July 2017

Preamble:

We, the Leaders of the G20, met in Hamburg, Germany on 7-8 July 2017 to address major global economic challenges and to contribute to prosperity and well-being.

Mastering the challenges of our age and shaping an interconnected world is the common goal of the G20 as our premier forum for international economic cooperation. The G20 revealed its strength during the global economic and financial crisis some ten years ago when it played a crucial role in stabilising economies and financial markets. What was true then continues to hold: We can achieve more together than by acting alone.

Progressing our joint objective in the G20 – strong, sustainable, balanced and inclusive growth – remains our highest priority.

Globalisation and technological change have contributed significantly to driving economic growth and raising living standards across the globe. However, globalisation has created challenges and its benefits have not been shared widely enough. By bringing together developed and emerging market economies, the G20 is determined to shape globalisation to benefit all people. Most importantly, we need to better enable our people to seize its opportunities.

We are resolved to tackle common challenges to the global community, including terrorism, displacement, poverty, hunger and health threats, job creation, climate change, energy security, and inequality including gender inequality, as a basis for sustainable development and stability. We will continue to work together with others, including developing countries, to address these challenges, building on the rules- based international order.

Expanding on the results of previous presidencies, in particular the 2016 G20 Summit in Hangzhou, we decide today to take concrete actions to advance the three aims of building resilience, improving sustainability and assuming responsibility.

Sharing the Benefits of Globalisation

Prospering Global Economy: Current growth prospects are encouraging, though the pace of growth is still weaker than desirable. We reaffirm our commitment to international economic and financial cooperation to further strengthen growth and safeguard against downside risks. We will continue to use all policy tools – monetary, fiscal and structural – individually and

collectively to achieve our goal of strong, sustainable, balanced and inclusive growth, while enhancing economic and financial resilience. Monetary policy will continue to support economic activity and ensure price stability, consistent with central banks' mandates. Fiscal policy will be used flexibly and be growth-friendly while ensuring debt as a share of GDP is on a sustainable path. We reinforce our commitment to structural reforms. We reaffirm our previous exchange rate commitments. We will strive to reduce excessive global imbalances in a way that supports global growth. We will promote greater inclusiveness, fairness and equality in our pursuit of economic growth and job creation. To these ends, we endorse the Hamburg Action Plan.

Trade and Investment: International trade and investment are important engines of growth, productivity, innovation, job creation and development. We will keep markets open noting the importance of reciprocal and mutually advantageous trade and investment frameworks and the principle of non-discrimination, and continue to fight protectionism including all unfair trade practices and recognise the role of legitimate trade defence instruments in this regard. We will strive to ensure a level playing field, in particular by promoting a favourable environment for trade and investment in this regard. We further reaffirm the importance of transparency for predictable and mutually beneficial trade relations. To this end, we value the monitoring activities by the WTO, UNCTAD and OECD within their existing mandates. We commit to further strengthen G20 trade and investment cooperation. We call on the OECD, WTO, World Bank Group and IMF to continue their work to better understand trade impacts and report back to G20 Leaders in 2018.

We recognise that the benefits of international trade and investment have not been shared widely enough. We need to better enable our people to seize the opportunities and benefits of economic globalisation. We agree to exchange experiences on the mitigation of the adjustment costs of trade and investment liberalisation and technological change, and on appropriate domestic policies, as well as to enhance international cooperation towards inclusive and sustainable global growth.

We underline the crucial role of the rules-based international trading system. We note the importance of bilateral, regional and plurilateral agreements being open, transparent, inclusive and WTO-consistent, and commit to working to ensure they complement the multilateral trade agreements. We welcome the entry into force of the WTO Trade Facilitation Agreement and call for its full implementation including technical assistance to developing countries. We commit to work together with all WTO members to make the eleventh WTO Ministerial Conference a success. To further improve the functioning of the WTO, we will cooperate to ensure the effective and timely enforcement of trade rules and commitments as well as improve its negotiating, monitoring and dispute settlement functions.

International investment can play an important role in promoting inclusive economic growth, job creation and sustainable development, and requires an open, transparent and conducive global policy environment. We will seek to

identify strategies to facilitate and retain foreign direct investment.

Excess Capacities: Recognising the sustained negative impacts on domestic production, trade and workers due to excess capacity in industrial sectors, we commit to further strengthening our cooperation to find collective solutions to tackle this global challenge. We urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities. Each of us commits to take the necessary actions to deliver the collective solutions that foster a truly level playing field. Therefore, we call on the members of the Global Forum on Steel Excess Capacity, facilitated by the OECD, as mandated by the Hangzhou Summit, to fulfil their commitments on enhancing information sharing and cooperation by August 2017, and to rapidly develop concrete policy solutions that reduce steel excess capacity. We look forward to a substantive report with concrete policy solutions by November 2017, as a basis for tangible and swift policy action, and follow-up progress reporting in 2018.

Sustainable Global Supply Chains: Global Supply Chains can be an important source of job creation and balanced economic growth. However challenges for achieving an inclusive, fair and sustainable globalisation remain. In order to achieve sustainable and inclusive supply chains, we commit to fostering the implementation of labour, social and environmental standards and human rights in line with internationally recognised frameworks, such as the UN Guiding Principles on Business and Human Rights and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Those countries that adhere to the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) commit to fostering them and welcome others to follow.

We will work towards establishing adequate policy frameworks in our countries such as national action plans on business and human rights and underline the responsibility of businesses to exercise due diligence. We will take immediate and effective measures to eliminate child labour by 2025, forced labour, human trafficking and all forms of modern slavery. We welcome the Vision Zero Fund for to prevent work-place related deaths and injuries and encourage enterprises and others to join.

We emphasise that fair and decent wages as well as social dialogue are other key components of sustainable and inclusive global supply chains. We support access to remedy and, where applicable, non-judicial grievance mechanisms, such as the National Contact Points for the OECD MNE Guidelines (NCPs). We will encourage multinational companies to conclude international framework agreements as appropriate. Recognising the ongoing work of the Global Partnership for Financial Inclusion (GPFI), we promote better access to financing, technology, and training facilities that help improve the capacity of micro, small and medium enterprises to integrate into sustainable and inclusive global supply chains.

Harnessing Digitalisation: Digital transformation is a driving force of global, innovative, inclusive and sustainable growth and can contribute to reducing inequality and achieving the goals of the 2030 Agenda for

Sustainable Development. To this end, we need to bridge digital divides along multiple dimensions, including income, age, geography and gender. We will strive to ensure that all our citizens are digitally connected by 2025 and especially welcome infrastructure development in low-income countries in that regard. We will promote digital literacy and digital skills in all forms of education and life-long learning. We recognise that information and communication technology (ICT) plays a crucial role in modernizing and increasing efficiency in public administration. We recognise the important role that SMEs and start-ups play in the development of a full range of new and innovative business models and will promote better access to financial resources and services and a more entrepreneurial friendly environment.

We aim to foster favourable conditions for the development of the digital economy and recognise the need to ensure effective competition to foster investment and innovation. We will continue to promote effective cooperation of all stakeholders and encourage the development and use of market- and industry-led international standards for digitised production, products and services that are based on the principles of openness, transparency and consensus and standards should not act as barriers to trade, competition or innovation. They can promote interoperability and security in the use of ICT.

Trust in digital technologies requires effective consumer protection, intellectual property rights, transparency, and security in the use of ICT. We support the free flow of information while respecting applicable legal frameworks for privacy, data protection and intellectual property rights. The G20 Roadmap for Digitalisation will help us guide our future work.

We are committed to help ensure a secure ICT environment in which all sectors are able to enjoy its benefits and reaffirm the importance of collectively addressing issues of security in the use of ICTs.

We will constructively engage in WTO discussions relating to E-commerce and in other international fora with responsibilities related to various aspects of digital trade to foster digital economy development and trade. We will sustain and improve, as appropriate, predictable and transparent frameworks on digital trade. Intensified and concerted action is needed to enhance the ability of developing and least developed countries to more fully engage in digital trade.

Boosting Employment: Well-functioning labour markets contribute to inclusive and cohesive societies and resilient economies. Digitalisation offers the opportunity for creating new and better jobs, while at the same time raising challenges regarding skills, social protection and job quality. We therefore recognise the need to educate and train people with the necessary skills for the future of work, the importance of opportunities to re- and upskill throughout their working lives, and assist them to successfully adapt to change, in accordance with each member's domestic social framework.

Acknowledging the increasing diversity of employment, we will assess its impact on social protection and working conditions and continue to monitor global trends, including the impact of new technologies, demographic

transition, globalisation and changing working relationships on labour markets. We will promote decent work opportunities during the transition of the labour market. We look forward to a continuous exchange on national experiences and practices.

We recognise the important role of vocational education and training, including quality apprenticeship in integrating young people into the labour market. In this regard, we acknowledge that it is particularly effective when it provides coordinated high quality school- and work-based learning and when it is built on cooperation among governments, business communities and social partners.

Building Resilience

Resilient Global Financial System: An open and resilient financial system, grounded in agreed international standards, is crucial to supporting sustainable growth. We remain committed to the finalisation and timely, full and consistent implementation of the agreed G20 financial sector reform agenda. We will work to finalise the Basel III framework without further significantly increasing overall capital requirements across the banking sector, while promoting a level playing field. We will continue to closely monitor and, if necessary, address emerging risks and vulnerabilities in the financial system. We emphasise the considerable progress made towards transforming shadow banking into resilient market based finance since the financial crisis and welcome the FSB assessment of the monitoring and policy tools available to address risks from shadow banking. We support the FSB's work to analyse the effects of financial regulatory reforms and the structured framework for post-implementation evaluation. Acknowledging that malicious use of ICT could endanger financial stability, we welcome the progress of the FSB's work and look forward to a stock-take report in October 2017.

International Financial Architecture: We need strong, effective and representative global economic and financial institutions to underpin growth and sustainable development. As laid out in the Hamburg Action Plan, we will continue to improve the system underpinning international capital flows and emphasise the need to promote sound and sustainable financing practices. We will enhance the international financial architecture and the global financial safety net with a strong, quota-based and adequately resourced IMF at its centre. We look forward to the completion of the 15th General Review of IMF Quotas, including a new quota formula, by the Spring Meetings 2019 and no later than the Annual Meetings 2019, and support ongoing work to further enhance the effectiveness of its lending toolkit. We endorse the MDBs' Joint Principles and Ambitions on Crowding-In Private Finance ("Hamburg Principles and Ambitions") and welcome their work on optimising balance sheets and boosting investment in infrastructure and connectivity.

International Tax Cooperation and Financial Transparency: We will continue our work for a globally fair and modern international tax system and welcome international cooperation on pro-growth tax policies. We remain committed to the implementation of the Base Erosion and Profit Shifting (BEPS) package and

encourage all relevant jurisdictions to join the Inclusive Framework. We look forward to the first automatic exchange of financial account information under the Common Reporting Standard (CRS) in September 2017. We call on all relevant jurisdictions to begin exchanges by September 2018 at the latest. We commend the recent progress made by jurisdictions to meet a satisfactory level of implementation of the agreed international standards on tax transparency and look forward to an updated list by the OECD by our next Summit reflecting further progress made towards implementation. Defensive measures will be considered against listed jurisdictions. We continue to support assistance to developing countries in building their tax capacity. We are also working on enhancing tax certainty and with the OECD on the tax challenges raised by digitalisation of the economy. As an important tool in our fight against corruption, tax evasion, terrorist financing and money laundering, we will advance the effective implementation of the international standards on transparency and beneficial ownership of legal persons and legal arrangements, including the availability of information in the domestic and cross-border context.

Safeguarding against Health Crises and Strengthening Health Systems: The G20 has a crucial role in advancing preparedness and responsiveness against global health challenges. With reference to the results of the G20 health emergency simulation exercise, we emphasise the value of our ongoing, trust-building, cross-sectoral cooperation. We recall universal health coverage is a goal adopted in the 2030 Agenda and recognize that strong health systems are important to effectively address health crises. We call on the UN to keep global health high on the political agenda and we strive for cooperative action to strengthen health systems worldwide, including through developing the health workforce. We recognise that implementation of and compliance with the International Health Regulations (IHR 2005) is critical for efficient prevention, preparedness and response efforts. We strive to fully eradicate polio. We also acknowledge that mass movement of people can pose significant health challenges and encourage countries and International Organisations to strengthen cooperation on the topic. We support the WHO's central coordinating role, especially for capacity building and response to health emergencies, and we encourage full implementation of its emergency reform. We advocate for sufficient and sustainable funding to strengthen global health capacities, including for rapid financing mechanisms and the WHO's Health Emergencies Programme. Furthermore, we see a need to foster R&D preparedness through globally coordinated models as guided by the WHO R&D Blueprint, such as the Coalition for Epidemic Preparedness Innovations (CEPI).

Combatting Antimicrobial Resistance (AMR): AMR represents a growing threat to public health and economic growth. To tackle the spread of AMR in humans, animals and the environment, we aim to have implementation of our National Action Plans, based on a One-Health approach, well under way by the end of 2018. We will promote the prudent use of antibiotics¹ in all sectors and strive to restrict their use in veterinary medicine to therapeutic uses alone. Responsible and prudent use of antibiotics in food producing animals does not include the use for growth promotion in the absence of risk analysis. We underline that treatments should be available through

prescription or the veterinary equivalent only. We will strengthen public awareness, infection prevention and control and improve the understanding of the issue of antimicrobials in the environment. We will promote access to affordable and quality antimicrobials, vaccines and diagnostics, including through efforts to preserve existing therapeutic options. We highlight the importance of fostering R&D, in particular for priority pathogens as identified by the WHO and tuberculosis. We call for a new international R&D Collaboration Hub to maximise the impact of existing and new anti-microbial basic and clinical research initiatives as well as product development. We invite all interested countries and partners to join this new initiative. Concurrently, in collaboration with relevant experts including from the OECD and the WHO, we will further examine practical market incentive options.

Improving Sustainable Livelihoods

Energy and Climate: A strong economy and a healthy planet are mutually reinforcing. We recognise the opportunities for innovation, sustainable growth, competitiveness, and job creation of increased investment into sustainable energy sources and clean energy technologies and infrastructure. We remain collectively committed to mitigate greenhouse gas emissions through, among others, increased innovation on sustainable and clean energies and energy efficiency, and work towards low greenhouse-gas emission energy systems. In facilitating well-balanced and economically viable long-term strategies in order to transform and enhance our economies and energy systems consistent with the 2030 Agenda for Sustainable Development, G20 members will collaborate closely. Recalling the G20 Principles on Energy Collaboration, we regard energy security as one of the guiding principles for the transformation of our energy systems, and we will continue to work on open, flexible, and transparent markets for energy commodities and technologies. We welcome international cooperation on the development, deployment, and commercialisation of sustainable and clean energy technologies and support financing by Multilateral Development Banks to promote universal access to affordable, reliable, sustainable and clean energy.

We take note of the decision of the United States of America to withdraw from the Paris Agreement. The United States of America announced it will immediately cease the implementation of its current nationally-determined contribution and affirms its strong commitment to an approach that lowers emissions while supporting economic growth and improving energy security needs. The United States of America states it will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently and help deploy renewable and other clean energy sources, given the importance of energy access and security in their nationally-determined contributions.

The Leaders of the other G20 members state that the Paris Agreement is irreversible. We reiterate the importance of fulfilling the UNFCCC commitment by developed countries in providing means of implementation including financial resources to assist developing countries with respect to both mitigation and adaptation actions in line with Paris outcomes and note the

OECD's report "Investing in Climate, Investing in Growth". We reaffirm our strong commitment to the Paris Agreement, moving swiftly towards its full implementation in accordance with the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances and, to this end, we agree to the G20 Hamburg Climate and Energy Action Plan for Growth as set out in the Annex.

Leading the Way towards Sustainable Development: The adoption of the 2030 Agenda represented a milestone towards global sustainable development. We call on countries to work with stakeholders to strive towards its ambitious and integrated implementation and timely realisation in accordance with national circumstances. We commit to further align our actions with the 2030 Agenda for Sustainable Development and its integral part, the Addis Ababa Action Agenda on Financing for Development, domestically and internationally, including in support of developing countries and the provision of public goods.

Building on the G20's Action Plan on the 2030 Agenda for Sustainable Development, the Hamburg Update emphasises our collective and concrete commitments. We support the central role of the high-level political forum on sustainable development and other key UN processes towards achieving the Sustainable Development Goals. We will also engage in voluntary peer learning on the implementation of the 2030 Agenda and call upon others to join this important exercise as a complementary action towards Voluntary National Reviews.

The Annual Progress Report documents for the first time progress on selected prior G20 commitments on the implementation of the 2030 Agenda. Recognising the importance of financial inclusion as a multiplier for poverty eradication, job creation, gender equality, and women's empowerment, we support the ongoing work of the Global Partnership for Financial Inclusion and welcome the 2017 G20 Financial Inclusion Action Plan. We note the UN Secretary-General's proposal to establish an International Finance Facility for education taking into account other existing initiatives, such as the Global Partnership for Education and Education Cannot Wait, and look forward to examining it in further detail under Argentina's Presidency with a view to making recommendations on it.

Women's Empowerment: Enhanced equal access to the labour market, property, quality employment and financial services for women and men are fundamental for achieving gender equality and full realisation of their rights as well as a prerequisite for sustainable and inclusive growth. We are making progress in achieving our 2014 Brisbane commitment to reduce the gender gap in labour force participation by 25 percent by 2025 but agree that more needs to be done. We also commit to take further action to improve the quality of female employment and eliminate employment discrimination, and reduce gender compensation gaps and provide women with protection from all forms of violence. We will improve women's access to labour markets through provision of quality education and training, supporting infrastructure, public services and social protection policies and legal reforms, where appropriate.

Digitalisation and access to ICT serve as powerful catalysts for the economic empowerment and inclusion of women and girls. Access to STEM (Science, Technology, Engineering and Mathematics) related trainings and occupations is therefore key to establish an enabling environment for women's empowerment. We welcome the launch of the #eSkills4Girls initiative to promote opportunities and equal participation for women and girls in the digital economy, in particular in low income and developing countries (see Annex).

In order to scale up support for women's entrepreneurship, we welcome the launch of the Women Entrepreneurs Financing Initiative (We-Fi), housed at the World Bank Group (see Annex). The We-Fi will support ongoing G20 efforts to reduce barriers to financial inclusion and increase women's access to capital, markets and technical assistance as well as contribute to achieving the goals of the G20 Africa Partnership and the G20 Entrepreneurship Action Plan. We will also establish a Business Women Leaders' Taskforce, which will, in close cooperation with the W20 and B20, bring together business women from G20 countries to examine ways to increase women's participation in the economy and will make recommendations at next year's summit on the implementation of G20 commitments regarding the economic empowerment of women.

Towards Food Security, Water Sustainability and Rural Youth Employment: Water is an essential and precious resource. In order to achieve food security, we are committed to increase agricultural productivity and resilience in a sustainable manner, while aiming to protect, manage and use efficiently water and water-related ecosystems. In order to harness the potential of ICT, we stress the need for strengthened cooperation on ICT in agriculture and underline the importance of access to high-speed digital services for farmers and of adequately serving rural areas. To enhance transparency in global food markets, we call for a strengthening of the Agricultural Market Information System (AMIS) and an active engagement of its entire membership. We underline that making markets function better can contribute to reducing food price volatility and enhance food security. It is vital for farmers to be profitable and, along with consumers, have access to national, regional and international markets.

We launch the G20 Initiative for Rural Youth Employment in developing countries with a focus on Africa. This Initiative will, in alignment with developing countries' strategies, contribute to creating 1.1 million new jobs by 2022 and to providing innovative skills development programmes for at least 5 million young people over the next five years. Recognising the famine in some areas of South Sudan and risk of famine in Somalia, Yemen and North-Eastern Nigeria, we are more than ever committed to act with the required urgency, supporting UN agencies and other humanitarian and development organisations in a coordinated and comprehensive response to save lives and support conditions for sustainable development. We recognise the contributions made by different G20 members in line with the UN appeal for humanitarian assistance which represents over two thirds of the funding received for immediate requirements. We will further strengthen our humanitarian engagement and reaffirm our commitment to addressing the underlying causes of recurrent and protracted crises.

Resource Efficiency and Marine Litter: We launch two initiatives to contribute to the implementation of the 2030 Agenda and to reflect our commitment to sustainable development, as outlined in the Annexes. The G20 Resource Efficiency Dialogue will exchange good practices and national experiences to improve the efficiency and sustainability of natural resource use across the entire life cycle, and to promote sustainable consumption and production patterns. The G20 Marine Litter Action Plan seeks to prevent and reduce marine litter, including by considering its socio-economic aspects.

Assuming Responsibility

Africa Partnership: We launch the G20 Africa Partnership in recognition of the opportunities and challenges in African countries as well as the goals of the 2030 Agenda. Our joint efforts will foster sustainable and inclusive economic growth and development, in response to the needs and aspirations of African countries, contributing to create decent employment particularly for women and youth, thus helping to address poverty and inequality as root causes of migration. The Partnership includes related initiatives, such as #eSkills4Girls, Rural Youth Employment, African Renewable Energy and facilitates investment Compacts, as outlined in the Annex.

We welcome the outcomes of the G20 Africa Partnership Conference in Berlin, which highlighted the need for joint measures to enhance sustainable infrastructure, improve investment frameworks as well as support education and capacity building. Individual priorities for “Investment Compacts” were put forward by Cote d’Ivoire, Ethiopia, Ghana, Morocco, Rwanda, Senegal and Tunisia. Led by the respective African countries, the African Development Bank, IMF and WBG as well as the G20 and other partners, these Compacts aim to mobilise private investment as well as promote efficient use of public funding.

We are ready to help interested African countries and call on other partners to join the initiative. We support the goals of the Partnership through complementary initiatives as well as encourage the private sector to seize African economic opportunities in supporting sustainable growth and employment creation.

Based on equal partnership, we strongly welcome African ownership and commit to align our joint measures with regional strategies and priorities, in particular the African Union’s Agenda 2063 and its Programme for Infrastructure Development in Africa (PIDA). The African Union and its specialised agency, the New Partnership for Africa’s Development (NEPAD), are important partners in its implementation and monitoring.

Stepping up Coordination and Cooperation on Displacement and Migration: The world is experiencing historic levels of migration and forced displacement. While migration is influenced by many political, social and economic developments, the main drivers of forced displacement include conflicts, natural disasters as well as human rights violations and abuses. Migration and forced displacement trends are of major relevance for countries of origin, transit and destination. The social and economic benefits and

opportunities of safe, orderly and regular migration can be substantial. Forced displacement and irregular migration in large movements, on the other hand, often present complex challenges.

We support those countries that choose to develop pathways for migration, underline the importance of nationally determined integration and endorse the G20 Policy Practices for the Fair and Effective Labour Market Integration of Regular Migrants and Recognised Refugees. We emphasise the sovereign right of states to manage and control their borders and in this regard to establish policies in their own national interests and national security, as well as the importance that repatriation and reintegration of migrants who are not eligible to remain be safe and humane. We commit to countering migrant smuggling and trafficking in human beings and we are determined to take action against people smugglers and traffickers.

We seek to address the root causes of displacement. We call for concerted global efforts and coordinated and shared actions, in particular with respect to countries and communities that are under high social, political and financial pressure, and for combining both an emergency approach and a long-term one. To this end, we acknowledge the importance of establishing partnerships with countries of origin and transit. We will promote sustainable economic development in those countries.

We commit to addressing the distinct needs of refugees and migrants, in particular close to their region of origin and, when applicable, to enable them to return home safely. At the same time, we place special emphasis on vulnerable groups, including women at risk and children, particularly those unaccompanied, and to protecting the human rights of all persons regardless of their status.

We call for improving the governance of migration and providing comprehensive responses to displacement and recognise the need to develop tools and institutional structures accordingly. Therefore, we look forward to the outcome of the UN process towards Global Compacts on Refugees and for Safe, Orderly and Regular Migration, both envisaged to be adopted in 2018. We emphasise the need for monitoring global displacement and migration, as well as its economic consequences. To this end, we ask the OECD, in cooperation with ILO, IOM and UNHCR, to update us annually on trends and policy challenges.

Fighting Corruption: We remain committed to fighting corruption, including through practical international cooperation and technical assistance, and will continue to fully implement the G20 Anti-Corruption Action Plan 2017-18. We endorse four sets of High Level Principles aimed at fostering integrity in the public and private sector. By endorsing the High Level Principles on the Liability of Legal Persons, we commit to ensuring that not only individual perpetrators but also companies benefitting from corruption can be held liable. We commit to organising our public administrations to be more resilient against corruption. We will intensify our fight against corruption related to illegal trade in wildlife and wildlife products. Wildlife trafficking is a threat to the planet's biodiversity, economic development,

and, among others, health and security, and is facilitated by high levels of corruption, which the G20 cannot tolerate. We also endorse the High Level Principles on Countering Corruption in Customs and publish a guide on requesting international cooperation in civil and administrative proceedings. We will continue our work to address integrity in sports and urge international sports organisations to intensify their fight against corruption by achieving the highest global integrity and anti-corruption standards. In this respect, we strive for a common understanding regarding corruption risks in bids to host major sport events. We are also committed to fighting corruption in contracts, including in the natural resources sector. We call for ratification and implementation by all G20 members of the UN Convention against Corruption and for a strong involvement in its review process.

We thank Germany for hosting a successful Hamburg Summit and its contribution to the G20 process, and look forward to meeting again in Argentina in 2018, in Japan in 2019 and in Saudi Arabia in 2020.

1 Noting differences in the G20 country definitions of the term “antibiotics” and referring here to those antibiotics with an impact on human health, including those antimicrobials that are critically important for human medicine as defined by the WHO.

[Website of the German G20 presidency](#)

[G20 Leaders 'Declaration: Shaping an interconnected world](#)

Agreed Documents

Hamburg Action Plan

Climate and Energy Action Plan for Growth

Hamburg Update: Taking forward the G20 Action Plan on the 2030 Agenda

Annual Progress Report 2017

G20 Action Plan on Marine Litter

G20 Africa Partnership

G20 Initiative for Rural Youth Employment

High Level Principles on the Liability of Legal Persons for Corruption

High Level Principles on Organizing against Corruption

High Level Principles on Countering Corruption in Customs

High Level Principles on Combatting Corruption related to Illegal Trade in Wildlife and Wildlife Products

G20 Initiative #eSkills4Girls

Women Entrepreneurs Finance Initiative

G20 Resource Efficiency Dialogue

STATEMENT/17/1960

Déclaration conjointe du président de la Commission européenne et du premier ministre du Canada sur l'établissement d'une date pour l'application provisoire de l'Accord économique et commercial global

This week's plenary session dealt with issues such as Turkey, the first ever EU-Cuba deal and anti-dumping measures. MEPs paid tribute to Simone Veil, a noted French politician and the first president of the directly-elected European Parliament who passed away on 30 June.

Gemeinsame Erklärung des Präsidenten der Europäischen Kommission und des Premierministers Kanadas über die Festlegung eines Datums für die vorläufige Anwendung des umfassenden Wirtschafts- und Handelsabkommens

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EU and Canada agree to set a date for

[the provisional application of the Comprehensive Economic and Trade Agreement. Statement by Mr Jean-Claude Juncker, President of the European Commission and Mr Justin Trudeau, Prime Minister of Canada](#)

The Comprehensive Economic and Trade Agreement marks a new chapter in the relationship between the EU and Canada.

It is by opening up to each other, by working closely with those who share the same values that we will shape and harness globalisation.

It is important that our companies and citizens, the real winners with this agreement, start reaping its benefits without further ado.

Both at EU level and in Canada, the necessary steps were taken to ratify the agreement.

Meeting at the G20 in Hamburg, reconfirming our joint commitment to the rules-based international trading system, we agreed to set the date of 21 September 2017 to start the provisional application of the agreement, thus allowing for all the necessary implementing measures to be taken before that date.

The agreement will now be provisionally applied and will enter definitively into force once the Parliaments in all Member States of the EU ratify the text according to their respective domestic constitutional requirements.

[Peter Praet: Interview with De Standaard](#)

It looked like a reversal last week. ECB President Mario Draghi's speech in Sintra had an impact on the markets, interest rates increased and the euro strengthened, the markets took it as a signal that an end to the ECB's stimulus is in sight.

I see it more as an evolution in our communications. In essence, we said that the economy is doing better and that growth is looking good. And since the

last meeting of the Governing Council the positive news has continued. The tone was rather optimistic regarding growth, and rightly so. But, and this has to do with our mandate, the underlying inflationary pressure remains subdued. This is why we also stress that we should be patient and persistent regarding our monetary policy.

Proof that your policy of quantitative easing has worked?

Some people said that this policy would create hyperinflation whereas others thought that, at best, it would have no effect. Low interest rates would supposedly not lead to more investment and growth, but they have in fact had a very favourable impact. Not only in the real estate market but also elsewhere. It was also said that people would start to save more and spend less in order to compensate for the loss of interest income and to secure their retirement. But the saving rate has remained stable. Only investment was more sluggish than we had hoped, but that is picking up now. Surveys among SMEs show that they no longer find it so difficult to obtain loans.

Nothing new, in your view, but a sharp market reaction nonetheless. Have markets not become overly focused on messages from the ECB? Is that still a healthy situation?

It's true that in the short term there was a clear reaction. People also had the impression that it was a sort of "coordinated" action by different central bankers but that wasn't the case.

Our message was very nuanced. The thing is, deflationary pressures were considerable in 2015. At that time, we faced negative shocks to the economy. There was a sense of urgency. That no longer applies.

Now indeed inflation is picking up, but that is a process that is a long way from completion. From an inflation perspective, we cannot be satisfied yet.

We need patience and persistence. We need to be patient because inflation convergence needs more time to show through convincingly in the data. And we need to be persistent, because our baseline for future inflation remains crucially contingent on very easy financing conditions which, to a large extent, depend on the current accommodative monetary policy stance.

The Bank for International Settlements (BIS) says that we should increase interest rates so as to keep some ammunition in reserve in case we encounter difficult times again. But if we increase interest rates and tighten policy too quickly, we could jeopardise the recovery and end up further away than ever from our (inflation) target.

The ECB has pumped more than €2 trillion into the market. How confident are you that all those funds can be absorbed in an orderly manner?

The ECB Governing Council will discuss the conclusions for monetary policy and what this means for quantitative easing. I can't say anything about that yet. We do say that we still need a long period of accommodative policy before we are ready.

As the economic prospects brighten, higher expected returns on business investment will make borrowing conditions increasingly attractive. This will reinforce accommodation and make sure that inflation sustainably converges towards our objective of below, but close to, 2% over the medium term.

Growth is picking up and unemployment is going down, but wages are not really increasing. Doesn't that totally contradict traditional economic theory?

Wages are also a reflection of the past. Wage increases are partly based on current inflation rates and they are relatively low at the moment. Let us also not forget that the level of unemployment is still high. That merely underlines that the process of reflation is a long one that remains highly dependent on accommodative monetary policy.

But will the wages still evolve in the same way as before, now that all kinds of new factors are emerging such as computerisation, flexible jobs, etc? Are the ECB's instruments still reliable?

Well, how do you measure the impact of China on international competition, of e-commerce, of automation? We have many internal discussions about that, about whether something in the inflation process has broken down. The Phillips curve (which shows that wages rise when unemployment falls) is not broken, but it is flatter and the process is slower. Wage inflation is on the way, but we need to be patient about these things.

Wages are not increasing very much and most of the newly created jobs offer less attractive terms of employment.

Some labour market developments are positive but others negative. People aged over 50 are returning to the labour market; that came as a surprise to us. And we also see an increase in labour market potential owing to migration, especially from central and eastern European countries. Because of migration from those countries, Germany still has a significant labour supply despite having a high level of employment.

Some of those central and eastern European countries, such as Poland, Hungary and the Czech Republic, are now experiencing stronger wage inflation. That will spread. The more people who are employed, the bigger the increase in disposable income, the more that is spent.

On the other hand, we see that youth unemployment is particularly high in a number of countries and that getting young people into jobs is not easy. Another factor influencing wage inflation is that more people are working as self-employed. We are increasingly seeing a dual labour market. Even in the civil service. On the one hand, you have insiders with an attractive job and a high degree of protection and on the other, the new employees who do not have the same terms, work under more flexible contracts and can be let go more easily.

Of course you might say: so what's the problem? That is part of market reform, it's good for the economy. Don't forget that, in this way, quite a few people can avoid long periods of unemployment. Those new jobs create

earnings and stop people from losing their skills. On the other hand, there are also risks if the labour market reforms lead to a dual labour market, not only from an ethical standpoint but also because economic growth is not "inclusive". For that reason, I see a role for the government in correcting the negative redistribution effects of reforms.

It's a fixed component in President Mario Draghi's speeches: governments also need to introduce structural reforms, monetary policy cannot do everything. Has Belgium made sufficient use of the low interest rates to introduce the necessary reforms?

I don't like commenting on government policy, and certainly not on that of my own country. But speaking in general terms, I can say that the pension reforms were good decisions in countries such as Italy and Belgium. Belgium has also undertaken a small measure of labour market reform.

The point is that it should also be possible to do so. In Belgium the debate on the reform of corporate tax, for example, has been going on for quite some time. There is still a heavy reform agenda. Much still needs to be done and not everyone agrees on how to go about it.

The risk is that the appetite for reform will wane as the economy improves. People have a tendency to lean back and take a break.

Is that what's happening in Belgium now?

Not only in Belgium. There is a sort of honeymoon atmosphere. Times have been hard and people would like to take a break from reforming and enjoy the improvements for a while. There's a kind of reform fatigue. But not everyone is enjoying the recovery because unemployment is still too high and there are differences in contracts between insiders and outsiders, etc.

But it has to happen, because monetary policy can't fix everything. France is a good example. The financial situation there was not much different to that in Germany. There was no banking crisis in France. But growth has been weaker in France than in Germany, because German industry was able to adapt, to focus on new markets – first China, then the United States. They have more SMEs that are export oriented, whereas French industry is much more dependent on a number of national champions. This shows that there are limits to what monetary policy can do.

Critics are saying that the ECB's low interest rate policy is reducing the incentive to reform.

Governments should have made more use of the low interest rates. But the fact that there has been too little reform isn't because low interest rates are making it easier for them to muddle through. Rather, it's because they aren't managing to sell the reforms. I talk to politicians regularly and they all know what needs to be done. But they are also afraid that they won't get elected again afterwards.

I hope that the general public, through seeing better and better results, will start to grasp the importance of reforms.

Will the [rise of the far left] PTB party in Wallonia have a major impact?

Yes, I've seen it. But take Macron: he's been able to build a movement because there was a window of opportunity to go for reforms. But that has nothing to do with the interest rate. In France the public voted for Macron because they want changes, but we have yet to see which ones will actually get through.

In Belgium the Government also started out with reform ambitions.

Yes, indeed. Lots of governments have good intentions. The OECD has commented positively on that recently.

Above all, reform means getting people on board. I sometimes take a taxi and I often talk to the taxi driver. Many of them have paid huge sums for a licence, which they intend to sell later to guarantee themselves a pension. It's only logical that the taxi drivers will fight for their jobs. If you suddenly changed the rules to try to break the taxi market open, it would really cost a lot of money. Let's assume that in the Paris region alone there are more than 30,000 taxis. The costs for a licence can be as high as €200,000. If you want to buy out those rights, you're already talking about billions. Those are amounts that are suddenly macroeconomically relevant.

This is what you also see with labour market reforms. The incumbents, the insiders, are protected when there are reforms, while the newcomers who want a job have to be more flexible.

Belgium has been held up as a champion of reform. Were you surprised?

A bit. At the same time it is good to acknowledge that there have been reforms. Nevertheless we know that there are still huge challenges. Belgium is still some way behind Germany, where there's money left over and they don't know what to do with it.

Which reforms are needed most urgently now?

There are several. Reforms to pensions, the labour market and justice for example are recognised as being crucial in Italy. Education and training are also crucial in my view. Flanders has a good education system, but training for jobs on the shop floor could be better.

Should we be worried about automation and robotisation?

Productivity growth has been the source of wealth since time immemorial. But there are other ways of countering negative redistribution effects than blocking progress. That's what we have the government's redistribution policies for.

There are also things that robots can't do. Human interaction will remain important in many service jobs. These are currently often quite badly paid jobs, such as waiting tables or caring for the elderly in retirement homes. There is a reason why these professions are known as "bottleneck jobs".

Whether their wages will rise if demand increases further? I don't know. In any case in the future it will be not just about having the right skills on the labour market, but also about the necessary EQ and empathy, the soft skills. A robot can't offer that.

In the recent bank rescue in Italy, Italian taxpayers have been left to pick up the bill, despite all the bail-in principles. Was Europe looking the other way?

It's not a case of good or bad, we are still in a transition phase. The most important thing is for the banking sector to adapt. I can understand the decision to use tax money to solve problems from the past. But the sector has to adapt and restructure.

There are still a lot of bad loans in the sector, we have yet to see whether the adjustments will have been sufficient.

Banking union is essential. The resolution component is too slow. There can be flexibility for solving historical problems, but the sector needs to adapt.

Do you agree with the late Luc Coene that there's one big bank too many in Belgium, without mentioning Belfius specifically?

I don't know. Luc was a very good friend of mine. He had a very clear solution to any problem. I think there's also room for diversity in the banking market. In Belgium what you see is that many of those in the market are targeting home loans, resulting in intense competition there. Diversity means that big banks have to look abroad more for profit. You don't necessarily need fewer banks, it's just that they shouldn't all target the same thing.

Something else: fifty years ago you were the tender age of eighteen, during the Summer of Love. It's said that you were a real hippie in those days. How much is left of the ideals from back then?

(Laughs) That is so long ago. 1967! Actually I was in Woodstock again recently, as I had a conference not far away. So I gave my wife a call: "Guess where I am now?"

What can I say? Belgium was also new to me at the time, when I went to Brussels to study at the age of seventeen. That was difficult, because I didn't know anyone at all. The second year was a relief.

It was mostly fun. A time of liberal thought, of freedom and tolerance for different ideas. Before that it was very different.

It was a time when the consumer society was making headway, nobody was very worried that they wouldn't be able to find a job. People were interested in each other and took time to greet each other, like bikers still do now. You see that a lot less these days.