

B20 welcomes G20 commitments to accelerate growth, create jobs

Sunday 16 November 2014 – The B20 has welcomed G20 commitments to implement an ambitious structural reform agenda which will lift global GDP by more than two per cent above expectations over the next five years and create millions of new jobs.

Mr Richard Goyder AO, B20 Chair, said the international business community welcomed commitments made by G20 leaders in the communiqué and *Brisbane Action Plan* on infrastructure, human capital, financial regulation, trade and anti-corruption.

“The willingness of G20 countries to include structural reforms in their growth plans reflects calls from the business community for governments to create a conducive environment for businesses to invest and create jobs,” Mr Goyder said.

“But to ensure the full benefit to our communities, the focus must now turn to implementation. G20 countries need to hold each other to account and ensure their growth strategies are delivered.

“Only bold reform and timely implementation will drive growth and deliver better living standards and quality jobs for people across the world.”

Over the weekend, the B20 delegation impressed upon G20 leaders the importance of adopting growth-enhancing measures in their individual country growth plans, and the contribution B20 proposals could make.

Mr Goyder said the business community fully supports the G20 Global Infrastructure Initiative, a multi-year work program to lift quality public and private infrastructure investment, particularly the establishment of the Global Infrastructure Hub.

“The Global Infrastructure Initiative is a critical step in addressing the global growth and employment challenge and the business community strongly endorses the commitments of the G20 to increase quality investment in infrastructure,” Mr Goyder said.

“The establishment of the Global Infrastructure Hub will foster collaboration between governments, the private sector, institutional investors, development banks and other institutions. There is also strong support for the Initiative from the Multilateral Development Banks and the International Monetary Fund (IMF) and we welcome their commitment to collaborate with the Hub.

“The B20 estimates that improving project preparation, structuring and delivery could increase infrastructure capacity by ~\$20 trillion by 2030. The Global Infrastructure Hub could facilitate an estimated \$2 trillion in additional capacity, and drive an additional \$600 billion of economic activity and 10 million jobs per annum by 2030.

“The business community will look to be heavily involved in supporting the operations and projects of the Hub through involvement in the Hub's multi-stakeholder activities and by contributing project funding and expertise.

“On trade, we welcome the G20's commitments to build a stronger trading system, based on a robust and effective World Trade Organisation (WTO).

“Accelerating commitments on trade facilitation was a core recommendation of the B20 this year. We welcome the breakthrough on the Bali Trade Facilitation Agreement which will deliver benefits to developed and developing countries alike. Just as important is the commitment to maintaining the standstill on protectionism.

“Improvements to global supply chains and the reforms outlined in individual country growth strategies to facilitate trade by lowering costs, streamlining customs procedures, reducing regulatory burdens and strengthening trade-enabling services will benefit society broadly – by reducing the cost of goods and transport, minimising food wastage and increasing trade.”

Mr Robert Milliner, B20 Sherpa, said the B20 supported G20 actions to address unemployment, raise participation and create quality jobs and welcomed the target to reduce the gender gap by 25 per cent by 2025.

“The G20 Employment Plans need to be implemented including specific measures to reduce global unemployment, particularly youth unemployment,” Mr Milliner said. “We must ensure that workforces are appropriately skilled and have the capability, flexibility, adaptability and mobility within and across labour markets to respond to our rapidly changing global landscapes.”

On the global financial regulatory agenda, the G20 Finance Ministers and Central Bank Governors made some substantial commitments in September.

“They agreed to resolve the treatment of globally systemically important banks, and welcomed the Financial Stability Board’s commitment to deliver the remaining core elements of its shadow banking framework, report systematically on the implementation and effects of its regulations and to better represent emerging market economies in its rule-making.

“We welcome the leaders’ endorsement of these commitments and will continue to work closely with the G20 to ensure this momentum continues into next year.”

Mr Milliner said the B20 was encouraged by the G20’s commitment to improve transparency in the public and private sectors as corruption is a major obstacle to sustainable economic, political and social development.

“We are encouraged by the commitments to a coordinated approach to beneficial ownership regulation, which will greatly assist legitimate companies to help governments tackle corruption.”

Mr Goyder congratulated the G20 under the leadership of Prime Minister Abbott and Treasurer Hockey for their work to address the core impediments to economic growth and said the G20 has taken a substantial step forward on a number of critical issues.

“The final communiqué and the degree to which it reflects B20 proposals reinforces our belief that business and government share common thinking about the economic challenges and the best ways to address them.

“We also acknowledge the significant commitments by the G20 to address other major global challenges.

“The G20 has made considerable progress this year and made a number of important commitments that will stimulate global economic growth and job creation. The focus must now be firmly on implementation to ensure communities realise the benefits of these commitments.

“If G20 governments implement their respective individual country growth plans and meet their commitments, business will play its part by investing and creating jobs,” Mr Goyder said.