



PREPARING THE G20 BRISBANE SUMMIT AGENDA

AN OVERVIEW FROM THE AUSTRALIAN PRESIDENCY

PART 2: BACKGROUND ON 2014 PRIORITIES

NOVEMBER 2014

This year the G20 is focussing on longer term economic reform. This is how and why it is doing it.

Part 1: Overview - 2014 G20 Agenda

- Promoting stronger economic growth and employment outcomes by empowering the private sector
- Making the global economy more resilient to future shocks, and preventing a repeat of the circumstances that led to the 2008 global financial crisis (GFC)
- Strengthening global institutions to ensure they serve us best in today's global economy

Part 2: Background on 2014 Priorities

- G20 Agenda 2014: working arrangements, key events
- The Brisbane Action Plan
- Attracting private sector investment in infrastructure
- Creating jobs and lifting participation
- Removing obstacles to trade and competition
- Growth and development
- Reforming the global financial system
- Strengthening the international tax system
- Strengthening energy markets
- Fighting corruption

Part 3: Facts about the G20 and the global economy

- Gross Domestic product G20 members
- Unemployment trends, including youth
- Labour force participation rates G20 members
- Global investment and GDP
- Global trade and G20 members
- Foreign direct investment and G20 members
- Global energy profile
- Remittance costs
- Undernourishment trends

Part 2: Background on 2014 Priorities

An Agenda for Growth and Resilience in 2014



Diagram source: from 'An Overview of Australia's Presidency,' Dec 2013 available on G20.org

2014 Working Arrangements

Several G20 members provided leadership ahead of the Brisbane Summit.

Further information is available in the *2014 Working arrangements* factsheet on G20.org

G20 Leaders Summit (Chair: Prime Minister of Australia)

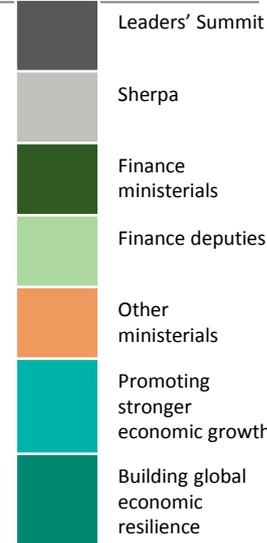
Sherpa meetings (Chair: Australian Sherpa)

Finance Ministers and Central Bank Governors meetings (Chair: Australian Treasurer, RBA Governor)

Finance and Central Bank Deputies meetings (Chair: Australian Finance Deputy)

Employment Ministers meeting (Chair: Australian Minister for Employment)

Trade Ministers meeting (Chair: Australian Minister for Trade and Investment)



Framework Working Group Co-chairs	Investment and Infrastructure Working Group Co-chairs	Task Force on Employment Co-chairs	G20 Trade Contacts Meeting Chair	Development Working Group Co-chairs	Energy Sustainability Working Group Co-chairs	Anti-Corruption Working Group Co-chairs
Canada	Germany	Australia	Australia	Australia	Australia	Australia
India	Indonesia	Turkey		Russia	India	Italy
	Mexico			South Africa		
				Turkey		

Key G20 events in 2014



G20 SUMMIT BRISBANE 2014

15-16 November



Finance Ministers meeting: 10 October, Washington

Finance Ministers Meetings:

- 22 and 23 February, Sydney
- 11 April, Washington
- 20 and 21 September, Cairns
- 10 October, Washington
- 13 to 15 November, Brisbane

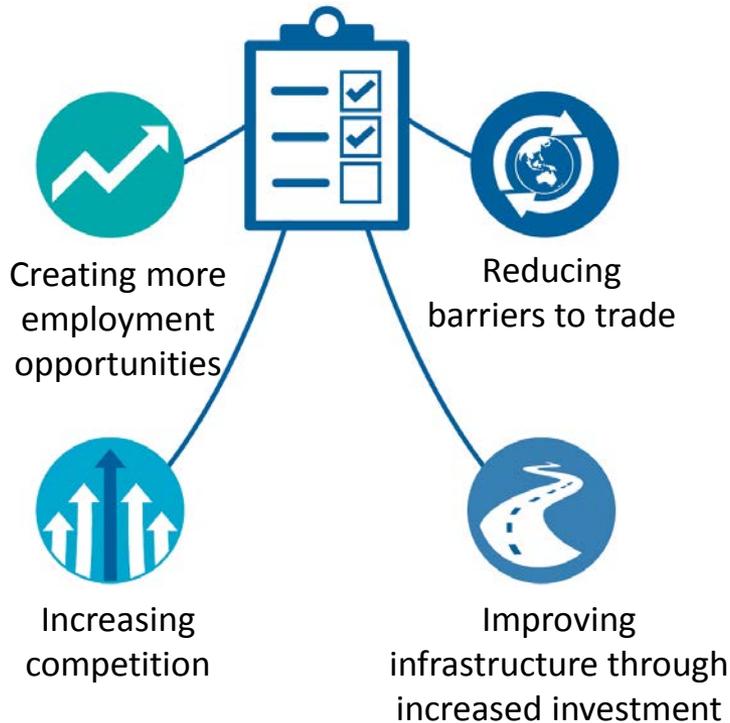
Trade Ministers meeting 19 July, Sydney



Labour and Employment Ministers meeting
10-11 September, Melbourne



G20 growth strategies outline country-specific reforms and measures to address common challenges



As agreed in April, members have identified practical actions that:

- Build on previous G20 commitments and address identified gaps in policy settings
- Lift and rebalance global demand
- Increase growth potential and create substantial positive spillovers to each other and the world economy.

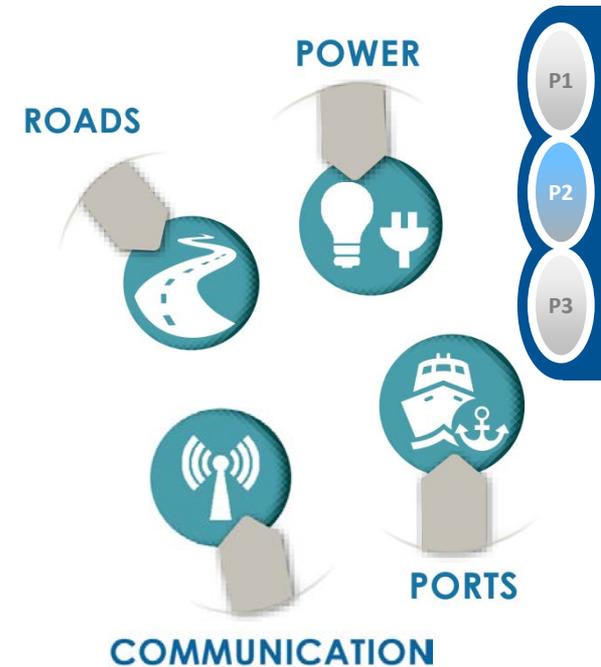
Further information is available in the *Strategies for growth* and *Lifting GDP by more than 2 per cent* factsheets on G20.org

Attracting private sector investment in infrastructure

The G20's multi-year **Global Infrastructure Initiative (GII)** will stimulate public and private sector infrastructure investment.

In Brisbane, leaders will consider a mechanism to support the GII.

The GII involves a 'hub' working across G20 and non-G20 countries to improve outcomes on infrastructure, including better knowledge sharing and cooperation between governments and the private sector.

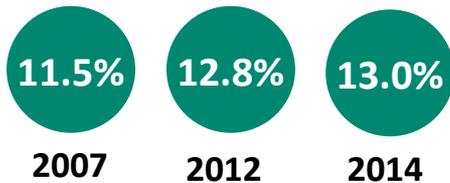


The OECD estimates that over \$70 trillion in investment in infrastructure is needed worldwide by 2030.

Lifting employment and workforce participation

The International Labour Organization estimates over 200 million people are still unemployed globally, with sustained high unemployment affecting developed and developing countries.

The global youth unemployment rate is steadily rising



This translates into



young people unemployed globally.

Source: ILO Global Employment Trends 2014

According to international organisations, reducing the current gap in participation between men and women in G20 economies by 25 per cent by 2025 would potentially bring more than 100 million women into the labour force.

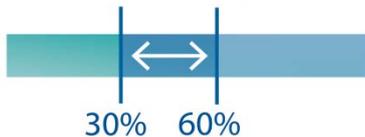
G20 Employment Plans are feeding into the Brisbane Action Plan

- Policies looking at labour market, social protection, education and lifelong learning will improve the number and quality of jobs.
- Members are supporting youths to find work and placing young people in education and training



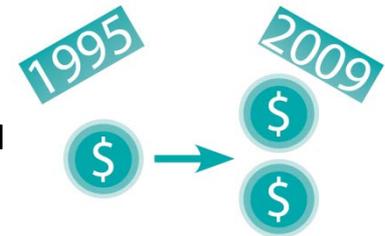
Removing obstacles to trade and competition

Global value chains
used in G20 exports



Between 30 and 60 per cent
of G20 countries' exports
consist of imported inputs by
other countries.

The OECD has found that
income from trade in global
value chains doubled
between 1995 and 2009.



Source: OECD, Global Value Chains Progress Report, 2014

All G20 members have taken trade facilitation actions in their growth strategies.

G20 members have identified how they can adjust their trade and economic policies to benefit more from global value chains, including by strengthening customs procedures.

In July, G20 Trade Ministers reaffirmed the commitment from St Petersburg to standstill and roll back protectionist measures.

Further information is available in the *Removing obstacles to trade* factsheet on G20.org

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Growth and development

Narrowing the global development gap and reducing poverty is integral to ensuring a more robust and resilient global economy.



Emerging markets and developing countries require up to US\$1.5 trillion a year in investment in infrastructure to finance projects essential for driving development

Source: World Bank 2013

In 2014, the G20 is strengthening the links between work on growth, resilience and development, focused on

- attracting investment in infrastructure
- securing tax revenue
- facilitating remittance flows and broadening access to financial services.

The group continues working on food security and human resource development.

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Building the resilience of the global economy

Since 2008, managing global economic and financial risks has been a key priority for the G20.

The G20 is focussed on ensuring the circumstances that led to the global financial crisis are not repeated.

Members have made substantial progress to strengthen global institutions and global financial stability.



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Reforming the global financial system

In 2015, the financial regulation agenda will shift focus from designing standards towards addressing new and evolving risks and vulnerabilities.



**BUILDING THE RESILIENCE
OF BANKS (BASEL III)**



**REDUCING THE RISKS AND
IMPACTS OF WHEN LARGE
INSTITUTIONS FAIL**



**TRANSFORMING THE
SHADOW BANKING SECTOR**



**MAKING DERIVATIVES
MARKETS SAFER**

Fixing the fault lines that caused the global financial crisis is now substantially completed.

Core financial reforms have:

- Made financial institutions more resilient and banks are better capitalised
- Made derivative markets safer
- Progressed arrangements to protect taxpayers if large banks fail, including a common international standard on the total loss absorbing capacity that globally systemic banks must have

Shadow banking (i.e. activities of non-bank institutions) is being transformed into resilient market-based financing.

Further information is available in the *Building financial resilience* factsheet on G20.org

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Strengthening the international tax system

Measures under the **G20-OECD Base Erosion and Profit Shifting (BEPS) Action Plan** put in place in 2014 will:

- result in clearer reporting of tax information to increase transparency
- identify ways to address the challenges for tax systems posed by the digital economy
- tackle arrangements that exploit differences in taxation structures between countries
- combat practices that shift intangible assets (such as intellectual property) to other companies.



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Automatic Exchange of Information

The G20 has also developed a plan for the automatic exchange of information (AEOI) between tax authorities to help to identify and catch tax evaders, to begin by 2017 or the end of 2018.

Strengthening global institutions

It is critical to create a durable international order that underpins global prosperity.

If the IMF quota and governance reforms agreed in 2010 are not ratified by the end of 2014, the G20 will ask the IMF to develop options for next steps.

Blockage in the WTO highlights the need to think about how institutions can deliver better trading opportunities.



The G20 is considering ways to strengthen energy institutions and enhance collaboration between developed and emerging economies.

The Financial Stability Board is reviewing its representation structure to better respond to the increasingly important role of emerging markets in the global economy and financial system.

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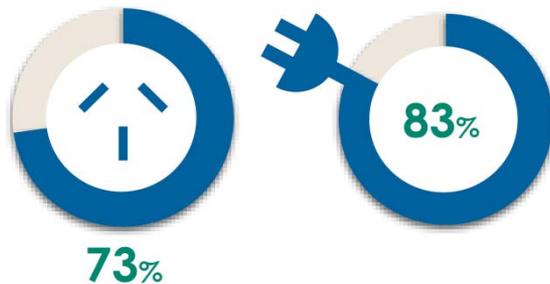
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Strengthening energy markets

Resilient economies depend on well-functioning energy markets and reliable energy supply.

G20 countries produce 73 per cent and consume 83 per cent of the world's energy.



Source: IEA 2013

In 2014 the G20 is supporting international efforts to improve the operation of global energy markets and enhance cooperation between emerging and advanced economies.

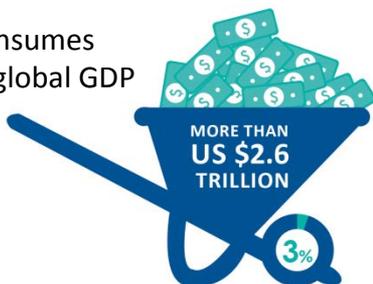
Members are working to:

- strengthen the global energy architecture
- build the resilience of gas markets
- bolster energy efficiency.

Fighting corruption

G20 members are focused on anti-corruption initiatives that improve investment conditions and investor confidence.

Corruption consumes almost 3% of global GDP every year.



Corruption can add up to 10% to the total cost of doing business globally.



The 2015-2016 Anti Corruption Action Plan will strengthen international cooperation, enhance public and private sector transparency and support investment.



Corruption also constrains development – developing countries lose up to US\$1 trillion each year in illicit outflows through the proceeds of crime, corruption and tax evasion.



Corruption adds up to 25% to the cost of public procurement in developing countries.

The G20 is developing high-level principles on beneficial ownership transparency to improve the transparency of company ownership and control.

Sources: United Nations 2013 and World Bank 2013

Further information is available in the *Fighting corruption* factsheet on G20.org

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Further background on the 2014 G20 Agenda is available on G20.org

Overview: 2014 G20 Agenda and the G20

An agenda for growth and resilience – May 2014

Lifting GDP by more than 2 per cent – February 2014

2014 working arrangements – April 2014

Working with partners (update) - October 2014

G20 and the world – October 2014

An overview of Australia's Presidency – December 2013

The G20 – a forum for the 21st century – September 2014

Lifting growth and creating jobs

Strategies for growth

Growth and development

Attracting private sector investment in infrastructure

Creating jobs and lifting participation

Removing obstacles to trade and competition

Building a stronger, more resilient global economy

Reforming the global financial system

Strengthening the international tax system

Strengthening energy markets and institutions

Fighting corruption

https://www.g20.org/official_resources/notes_factsheets

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FOR MORE INFORMATION

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