

## CHAIR'S SUMMARY

G20 Finance Ministers and Central Bank Governors met on 19 and 20 April 2018 in Washington in the margins of the International Monetary Fund (IMF) and World Bank Group (WBG) Spring Meetings. G20 Finance and Central Bank Deputies met on 19 April 2018.

This Summary captures the outcomes of the Ministers and Governors discussions on their agenda and the Deputies discussion on advancing the roadmap to infrastructure as an asset class.

### **Global Economy: Growth Prospects and Potential Vulnerabilities**

Ministers and Governors discussed the global economic outlook and current risks. They agreed that the outlook continues to improve with IMF continuing to revise upwards its growth forecasts. Many emphasised the need to use this window of opportunity to advance structural reforms and continue to 'fix the roof while the sun is shining'.

Despite the more positive outlook, Ministers and Governors noted the on-going accumulation of risks and a more sombre tone to the discussions compared to those in Buenos Aires only a few weeks before. They agreed that more was needed to contain risks, raise growth and make it inclusive.

Ministers and Governors discussed recent trade tensions, with many stressing the benefits that the multilateral trading system has delivered over the past decades. They noted the detrimental impacts on global growth should trade tensions escalate further. It was agreed that international cooperation was critical and the G20 had to step up its efforts to counter rising protectionist pressures.

Other risks highlighted included financial stability risks in the event of a faster than expected tightening of global financial conditions, particularly in a context of high levels of debt. This could have implications such as a sharp repricing of financial assets and capital flow reversals.

Ministers and Governors also discussed the issue of excess global imbalances, noting that these needed to be better understood and tackled decisively through macroeconomic policies and structural reforms in both surplus and deficit countries. Some linked this debate to the discussions on trade, noting that protectionist measures were not the solution to concerns about global imbalances.

### **Harnessing the Future of Work for Inclusive Growth**

Ministers and Governors agreed on the importance of the future of work as an issue for consideration by the G20. They noted that a number of areas were ripe for mutual cooperation, including taxation, competition, social protection, public expenditure and data.

The menu of policy options was considered to be the first step in the G20's cooperative efforts to ensure citizens can take advantage of new opportunities and to support

transitions as technology reshapes the economy. They noted the importance of this work to close the technological divide, and boost productivity and inclusive growth.

Ministers and Governors agreed that the impacts of technology will be diverse and the menu of policy options must avoid a 'one size fits all' approach and be designed in a way so that all members can draw on it according to their own domestic circumstances.

There was strong support for the focus on the gender dimensions of the future of work. Ministers and Governors agreed that significant positive and long term economic impacts could be realised by greater female workforce participation, as well as its importance as a driver of inclusive growth.

Ministers and Governors shared their domestic experiences. It was agreed that close coordination across the Presidency was required given the cross-cutting nature of the issues, particularly in relation to education and training which were important to ensure that workforce skills match current and future needs.

## **Advancing the Roadmap to Infrastructure as an Asset Class**

Deputies were pleased that work under the infrastructure priority was now turning to tangible and practical outcomes. They agreed that the Roadmap was a useful vehicle to direct the work and supported the specific issues proposed to be advanced this year (guidelines for the pre-investment phase, a pro forma bond indenture, a data template to collect financial data, a feasibility study of scaling up multi-currency risk insurance schemes and the better alignment of MDB credit enhancement instruments). Deputies noted that in seeking to achieve standardisation, some flexibility will need to be maintained in order to accommodate individual country circumstances.

They further agreed to the proposed member-led approach to advance the work. They noted that the Infrastructure Working Group will identify 'project leads' and settle the details of how the work will be advanced across the different areas.

An update was provided on the Private Sector Advisory Group (PSAG) which met for the first time on the preceding day. Deputies supported the PSAG, noting that it would provide an independent view to the work advanced under the infrastructure priority and contribute to the debates. They agreed on the importance of private sector consultation particularly given that some issues under the infrastructure agenda required the input of technical experts. There will be close coordination with the IWG and updates will be provided to Deputies at their meetings.

Deputies agreed that the ambition of developing infrastructure as an asset class could span a number of years and were pleased that the 2019 G20 Presidency proposed to continue this work.

## **Compact with Africa**

Ministers and Governors welcomed progress under the Compact with Africa initiative and agreed that the Monitoring Report sends a strong signal for steadfast commitment going forward. Eleven African countries were now involved in the initiative and there was agreement that it was 'bearing fruit'. Over 100 commitments had been made by compact

countries, with approximately 25 per cent of these reported as wholly achieved and the other 75 per cent reported as on track.

Ministers and Governors noted that on-going commitment by all stakeholders and implementation by Compact Countries was critical to the success of the initiative. There has been a clear focus on retaining macroeconomic stability. Going forward similar progress in business and financing frameworks were great opportunities to firm-up their growth trajectories.

It was further noted that, in the spirit of this initiative as a compact and in order to make it sustainable in the long run, further efforts by all partners was needed for mobilising private investment to support the growth prospects of the Compact Countries.