



(Translation)

Berlin, 1 December 2016

On 7 and 8 July 2017, the eyes of the world will turn to the G20 Summit in Hamburg, where the Heads of State and Government of major industrialised and emerging market economies will meet. I am very much looking forward to welcoming the G20 partners to the city of my birth.

Mastering and shaping the challenges of our age is a common goal of the G20. The success of the Summit will depend significantly on the progress we make towards achieving this objective.

Where is the world economy headed? Many current developments give us cause for concern. The development of the world economy is not keeping pace with expectations. It is worthwhile taking stock of the G20's beginnings, as well as the global economic and financial crisis some ten years ago. The G20 revealed its strength in these times of crisis. At the height of the economic and financial crisis, we collectively expressed our support for allowing competition to shape the world economy and for ensuring that world trade remained open. The G20 countries moved closer together in these times of crisis and developed shared mechanisms without resorting to protectionism. The experiences of the crises of the 1930s were a lesson to us that we must not forget.

As G20 partners, we must ask ourselves what we can do to ensure that everyone stands to benefit. How can we cooperate better in the future for the sake of our citizens? What fears and challenges are associated with globalisation, and what can we do to address these? How can we safeguard inclusiveness and ensure that the fruits of prosperity and growth are distributed fairly?

The G20 must demonstrate that it stands together. We are mutually dependent on each other – and not only economically and in the area of financial markets. The G20 is an informal cooperative forum founded on shared values. It provides us with a high-visibility framework, promotes our mutual exchange and reinforces our commitment to common principles. We can achieve more together than by acting alone. Strong international organisations are indispensable alongside this informal exchange. I want to work with the G20 to promote this.



**G20 GERMANY 2017**  
HAMBURG

## **PRIORITIES**

# **OF THE 2017 G20 SUMMIT**

Alongside stabilising the world economy and financial markets, numerous global challenges are on the G20's agenda, including geopolitical conflicts, terrorism and migration and refugee flows, as well as hunger, ongoing climate change and pandemics. These challenges will certainly not be mastered by countries plotting a lone course or with isolationism and protectionism. There can be no return to a pre-globalisation world. Only together will we be able to progress our objective in the G20 – strong, balanced, sustainable and inclusive economic growth – by addressing economic, social and political uncertainties in concert. In doing so, the G20 contributes significantly to strengthening the stability and resilience of the world economy and, last but not least, to increasing security for each and every one of us.

Let us turn our focus to digitalisation, which helps our world to grow together, reduces distances thanks to technical progress and brings people into contact with each other as never before. At the same time, however, the G20 must address the impact of technological progress. This is the only way to fully harness its potential. The G20 must shape the basic conditions in such a way that all people are able to benefit from the positive effects of these developments.

The digitalisation of our world is only one example of its strong and increasing connectivity. In our efforts to achieve an effective climate protection policy or global health crisis management, too, we can only move forward in close cooperation with one another.

I would like to hold a broad-based civil society dialogue on these issues involving all societal groups. I have invited representatives from the business sector, NGOs, trade unions, academia and think tanks, as well as from women's and youth organisations, to draft recommendations for the G20. This input from civil society is important for the G20's discussions. I believe cooperation within the G20 to be most vital. Our task is to shape this interconnected world together, and Germany will do its utmost to support these efforts during its presidency of the G20.

Dr. Angela Merkel

Chancellor of the Federal Republic of Germany

## I. Priorities of the 2017 G20 Summit

Following the onset of the global financial crisis, the G20 played a crucial role in stabilising economies and financial markets. Today, some ten years later, the G20 continues to have an important role to play in overcoming the ongoing tangible effects of the crisis. The stability of the global economy has improved since then. However, recovery remains modest.

As a forum that brings together the leading industrialised and emerging market economies, the G20 is an example of globalisation in action. It brings together almost two-thirds of the global population, more than four-fifths of global GDP and three-quarters of worldwide trade. The G20 has a responsibility to address the urgent questions of our time. The challenges have increased in recent years. Geopolitical conflicts, terrorism, migration and refugee flows, poverty, hunger, and epidemics and increasing climate change place great burdens on societies worldwide and have far-reaching effects on economic development. The G20 must endeavour to reduce global risks and their possible negative impact through forward-looking cooperation. At the same time, the opportunity to make growing global connectivity of benefit to everyone through closer international cooperation has never been greater.

In countries affected by geopolitical conflicts, hunger, or natural, climate or health disasters, people's livelihoods are at acute risk. At the same time, we are witnessing the rise of uncertainty and anxiety in societies where prosperity is in fact relatively high. Sometimes this is expressed by doubts about the benefits of globalisation and free trade. In an increasingly multipolar world, the international community thus also finds itself confronted with the risk of an increasing fragmentation of the international economic order.

Against this backdrop, the international community and the G20, as the most important forum for economic and financial policy cooperation, are called upon to work together in such a way that the benefits of globalisation and worldwide connectivity are both enhanced and more widely shared. This is so for the national level as well as internationally.

The G20 thus works to foster sustainable development, for which the 2030 Agenda for Sustainable Development and the Paris Agreement provide the key international frames of reference. People benefit from global action and the increasing integration of economies and societies – this message must be reinforced and communicated in a better way. In this context, the G20 works on the principle that only joint endeavours will lead to success.



In the coming year, the G20 will build on the results of previous presidencies and ensure broad continuity in the G20's work. This is a prerequisite for it to achieve long-lasting progress. Agreed measures must be implemented, while adherence to them must be monitored. At the same time, Germany wishes to add further topics to the agenda in cooperation with its G20 partners in order to reduce economic, social, ecological and political risks and to safeguard strong, sustainable, balanced and inclusive growth through collective action.

The agenda will pursue three aims: **BUILDING RESILIENCE – IMPROVING SUSTAINABILITY – ASSUMING RESPONSIBILITY.**

## **BUILDING RESILIENCE**

The G20 has set itself the task of increasing the stability and resilience of economies and thus of the global economy as a whole. In order to achieve this aim, it must undertake measures in the following areas:

### **Strengthening economic resilience**

Global economic growth is currently close to its long-term average, but remains weaker overall than it did after previous economic downturns. In addition, public and private debt is far too high in many places. Central banks' interest rates have already reached an historic low in many G20 countries. As a result, fiscal and monetary policies do not have the necessary scope to deal with possible future crises. Furthermore, enthusiasm for carrying out structural reforms has waned in many countries. Taken together, these factors impede economic growth. However, structural reforms are the key to higher productivity and thus to a higher level of growth and prosperity. G20 cooperation can help to address these challenges and to enhance the resilience of the global economy by improving the resilience of each individual G20 economy.

### **Strengthening the international financial architecture**

The G20 will continue to work on further strengthening the international financial architecture and the global financial safety net. National endeavours to improve resilience will thus be complemented and safeguarded. Cross-border capital flows will be an important topic in this area. Such flows are an intrinsic element of market economies and the basis of global free trade. At the same time, large and volatile capital flows pose a challenge to individual countries. The G20 will also focus on this topic.



### **Further developing financial markets**

Only resilient financial markets can provide a reliable basis for sustainable growth. This is why the G20 must continue the work it began on better monitoring and regulation of the international financial markets and on setting international standards. At the same time, the G20 must address new risks and vulnerabilities in the global financial system and be in a position to undertake timely measures. The G20 will therefore, among other issues, continue to work next year to ensure that market-based financing reforms (including shadow banking activities) are monitored appropriately and regulated sufficiently so that financial stability risks potentially arising from such reforms can be identified and corrected at an early stage.

The G20 regards it as important to continue the activities on green finance launched under the Chinese Presidency in 2016. The focus will be on making the financial market risks resulting from environmental risks more transparent and on presenting options to reduce them.

The G20 will continue to work on financial inclusion. Inclusive and sustainable financial systems that offer all households and companies appropriate access to financial services are a key element for inclusive and sustainable growth and for the stability of the financial system and the global economy.

### **Making taxation fair and reliable internationally**

The G20 will continue to work on increasing the transparency, fairness and reliability of national tax systems worldwide. Accordingly, we will continue the international G20 tax agenda. This applies, in particular, to the implementation of the package on preventing base erosion and profit shifting (BEPS). The G20 will also continue to foster transparency and tax honesty. In addition, we wish to work towards increasing the reliability of international taxation and to launch a G20 discussion on the impact of digital technology on taxation.

### **Deepening cooperation on trade and investment**

Trade and investment are important driving forces of economic growth. In recent years, however, growth in global trade has slowed. At the same time, growth in investments is frequently regarded as too sluggish. The G20 must respond to this.

Supporting the rules-based multilateral trade system, with the WTO at the centre, remains of crucial importance to facilitating trade and boosting investments. However, the growing amount of, and recent increase in the number of, new protectionist measures necessitate further action.



As a forum that brings together the leading industrialised and emerging market economies, the G20 will launch a discussion under the German Presidency in 2017 on the opportunities and risks of globalisation. Against the backdrop of increasing scepticism towards cross-border trade and open markets, we must concentrate our collective efforts on conveying the concrete benefits of trade and investment openness and trade integration to a wider audience, without ignoring the fears of possible burdens on individual sectors, population groups or regions. We must not allow globalisation's positive impact on prosperity to be diminished by isolation and protectionism.

For the first time, the G20 will also address the impact of digital technology on trade. This technology is likely to lead to significant changes in global trade.

Openness, transparency and modern frameworks are crucial for cross-border investment and growth. The G20's activities in this area should be expanded with a view to facilitating investments.

The G20 – together with interested OECD countries – will expand information exchange and cooperation on the issue of excess capacity in the steel sector within the framework of the agreed Global Forum, with the joint aim of identifying appropriate political strategies to reduce excess capacity.

#### **Enhancing and improving employment**

The G20's overall goal of strong, sustainable, balanced and inclusive growth depends to a large extent, on the private sector's ability to create jobs and on the promotion of productive and good employment. The G20 must play a role in enhancing good and productive work. A particular focus will be placed on the quality of women's employment and on the labour market integration of migrants and recognised refugees. In addition, the G20 will address the impact of far-reaching trends such as the spread of digital technology. The future of work will thus be a priority.

Sustainable global supply chains can help to further global economic and social development. The inclusion of internationally active companies and adherence to fundamental labour, social and environmental standards play an important role in this respect. The G20 will address this topic intensively for the first time next year.



## **IMPROVING SUSTAINABILITY**

Growth is not only important in itself – the type and quality of growth also matters. For this reason, the G20 is pursuing the goal of improving economies' sustainability and will address the following topics in this field:

#### **Protecting the climate and advancing sustainable energy supply**

The impact of increasing climate change presents one of the most significant global challenges and is already leading to high costs and risks around the world. By adopting the Paris Agreement, the international community is taking decisive action against climate change and setting a clear goal, that is, to achieve greenhouse gas neutrality during the course of this century and limit global warming to significantly below 2°C compared to pre-industrial levels, ideally to 1.5°C. Beyond the ratification of the Paris Agreement, the G20 wishes to make headway on ambitious implementation and to support third countries in doing so. Such an approach can strengthen technological innovation and employment in future-oriented industries if the G20 provides long-term direction and certainty through common framework conditions for the economy.

To this end, the G20 also wishes to link climate and energy policy more closely and, with the aim of ensuring a reliable investment climate, to intensify activities, and contribute to a better management of climate risks. A secure, economically efficient and greenhouse gas neutral energy supply accessible to everyone is a fundamental prerequisite for economic growth and prosperity, and one of the main priorities of the G20. The aim of discussions in the G20 is to foster appropriate political frameworks, financing instruments, and economic incentives for investments in climate-resilient infrastructure and to boost technological innovations.

#### **Making progress on the implementation of the 2030 Agenda**

The adoption of the 2030 Agenda for Sustainable Development in September 2015 was a milestone in the recent history of the United Nations. The G20 will be resolute in its endeavours to ensure, both through individual and collective action, the rapid and comprehensive implementation of the 2030 Agenda, with its global goals for sustainable development, and of the Addis Ababa Action Agenda. We aim to promote these endeavours through concrete measures to implement the G20 Action Plan during the German G20 Presidency. The 2030 Agenda represents an important framework in the work programme of the German G20 Presidency.

We also wish to exchange views in the G20 on the potential of and measures for resource efficiency. Furthermore, the G20 will engage in a dialogue on reducing marine litter worldwide.



### Seizing the opportunities of digital technology

The G20 is in agreement that the spread of digital technology is a key driving force of economic growth and social development. In order to make full use of the potential for innovation, growth and employment resulting from the spread of this technology, appropriate conditions must be created and possible obstacles removed, for example as regards expanding infrastructure, improving employment prospects and digital education, developing and applying norms and standards, and creating consumer confidence. At the same time, it is very important that fundamental principles, such as the free flow of information, the protection of privacy, data protection and data and IT security, be respected. The spread of digital technology in business and society requires discussion on an internationally agreed regulatory framework. The G20 will tackle this task.

Modern technologies offer significant opportunities, particularly in the financial sector, for example through automation and lower costs. These technologies can also foster better access to financial services and improve equal opportunities, especially in developing countries and emerging market economies. However, we must take into account the risks that can arise from these digital innovations.

### Promoting health

In the 2030 Agenda, the international community committed itself to ensuring healthy lives and promoting well-being for all people at all ages. Safeguarding against health crises is also of crucial importance for sustainable economic growth. The G20 is taking this into account. At its Summits in 2015 and 2016, it therefore decided to focus its attention on the topics of health system strengthening, threats posed by infectious diseases and antimicrobial resistance.

Functioning health systems are a fundamental prerequisite for safeguarding against outbreaks of diseases with pandemic potential. Various recommendations on changing structures, processes, instruments and financing aspects were elaborated in the wake of the Ebola crisis. Many of these recommendations have already been implemented. It is time to assess the steps taken and to identify possible gaps in efficient health crisis management.

If bacterial infections become difficult or impossible to treat because of a further increase in resistance against currently available antibiotics, this will result in a rapid rise in fatalities and have a massive impact on the ability to fund health systems. The G20 will address this challenge next year.



### Empowering women

Gender equality and women's economic empowerment are crucial factors for socially just and sustainable development of societies. Globally, women are often subject to wide-ranging employment discrimination and workplace inequality. The G20 has pledged to reduce the current gap between male and female employment by 25 percent by 2025. In 2017, the G20 should review the situation, build on this review, and focus on improving the quality of women's employment. This includes women's earnings, job security, social security and working conditions.

Digital transformation is creating new professional prospects for women, particularly in developing countries. However, to date, women have often been excluded from access to or the use of information and communications technologies. The G20 will address this problem.

## ASSUMING RESPONSIBILITY

In an increasingly interconnected world, new approaches are required in order to safeguard strong, sustainable, balanced and inclusive growth. The G20 must assume responsibility in further areas that affect global peace and security, as well as economic development. It must also strengthen cooperation and global partnerships across all borders.

### Addressing displacement and migration

The world is currently experiencing one of the largest refugee flows since the Second World War. This requires internationally coordinated answers. In 2016, the United Nations and the international community helped to improve the situation of refugees and displaced persons on a long-term basis. At the G20 Summit in Antalya in 2015, the Heads of State and Government committed to further strengthening efforts to provide protection to refugees and to tackle the causes of displacement. They reiterated this commitment at the G20 Summit in Hangzhou in 2016. The G20 wishes to build on this next year and to elaborate suggestions on how international cooperation can be improved. The aim is to strengthen international institutions and structures in order to better address displacement and illegal migration.

### Intensifying the partnership with Africa

We wish to further intensify the important partnership with African countries in order to make a greater contribution to sustainable economic growth and stability, including beyond the borders of the G20. Building on regional and G20 initiatives, the frameworks

for sustainable private sector investments and investments in infrastructure and renewable energies are to be strengthened through cooperation with interested African partner countries. A further aim of the planned G20 initiative is to support African partners to improve their population's share in sustainable economic development, particularly in the form of employment opportunities. Through this initiative, the G20 would also seek to reduce risks of climate change, contribute to more efficient health systems and strengthen the role of women. It would also contribute to the fight against the root causes of flight and displacement.

#### **Combating terrorist financing and money laundering**

Further steps are also necessary in the fight against money laundering and illegal financial flows, not least following the release of the Panama Papers. We need better cooperation between government agencies, as well as greater transparency, particularly on the beneficial ownership of corporations, trusts, foundations and other legal arrangements. We need to ensure that beneficial owners are identified and that access to information on beneficial owners and international exchange of this information can be further improved.

In order to enhance the fight against terrorist financing, we aim to ensure global and comprehensive implementation of the recommendations of the Financial Action Task Force (FATF). A review of the FATF's existing structure and governance is necessary. The G20 wishes to support the FATF to this end.

#### **Fighting corruption**

Corruption is an obstacle to growth and development and causes significant economic damage. It also undermines trust in state institutions and impedes the social market economy. In 2017, the G20 will build on and expand the current principles on fighting corruption.

#### **Improving food security**

Factors such as global population growth, climate change, fluctuation in precipitation, extreme weather events like droughts and flooding, and increased water consumption in industry and other sectors pose fundamental challenges to agriculture. The aim is to be able to feed the world's growing population through sustainable and more productive agriculture. The G20 will focus on the question of how this can be achieved without increasing water consumption to unsustainable levels. Food security for present and future generations, dynamic rural economic areas, and social and political stability depend on giving opportunities to a growing young population, particularly in Africa. A further focus will therefore be on youth employment and innovation in rural areas.

## **II. An open and transparent G20**

Building on the G20's established practice, guest countries and selected international organisations and representatives of regional organisations will attend the G20 meetings.

The German G20 Presidency has invited Spain, the Netherlands, Norway and Singapore to attend the G20 meetings next year. It has also invited the chair of the African Union (AU), the chair of the New Partnership for Africa's Development (NEPAD) and the chair of Asia-Pacific Economic Cooperation (APEC). The German G20 Presidency is also looking forward to the contributions and work by international organisations including the United Nations, IMF, World Bank, WTO, OECD, FSB, ILO and WHO.

A comprehensive dialogue with civil society will be conducted in seven dialogue fora (Business20, Civil20, Labour20, Science20, Think20, Women20 and Youth20) under the German G20 Presidency. Representatives of civil society groups from the G20 countries will define joint positions on G20 agenda topics within these independent dialogue processes. Responsibility for the opinion-forming processes will lie entirely in the hands of these groups. The work processes in the dialogue groups will lead to recommendations which will find their way via the Sherpa process into the Leaders Summit preparations.

## **III. Process**

The G20 Summit of Heads of State and Government will take place in Hamburg on 7 and 8 July 2017.

Preparatory meetings of the personal representatives of the Heads of State and Government, the G20 Sherpas, will be held ahead of the G20 Summit.

The following Ministerial meetings are also scheduled to take place before the Summit in Hamburg: Agriculture Ministers (Berlin, 22 January 2017); Foreign Ministers (Bonn, 16 - 17 February 2017); Finance Ministers and Central Bank Governors (Baden-Baden, 17 - 18 March); Digital Ministers (Düsseldorf, 6 - 7 April 2017); Labour Ministers (Bad Neuenahr, 18 - 19 May 2017) and Health Ministers (Berlin, 19 - 20 May 2017). The results of the Ministerial meetings will expand via the Sherpa process into preparations for the Leaders Summit.

## PRIORITIES OF THE G20 SUMMIT IN 2017 – SHAPING AN INTERCONNECTED WORLD

Building resilience	Improving sustainability	Assuming responsibility
World economy	Climate and energy	Tackling the causes of displacement
Trade and investment	2030 Agenda	Partnership with Africa
Employment	Digitalisation	Fighting terrorism
Financial markets / Int. fin. architecture	Global health	Anti-corruption
International tax cooperation	Empowering women	Agriculture / food security

G20 Ministerial Meetings: Foreign Affairs, Finance, Economic Affairs (digitalisation), Health, Labour, Agriculture Dialogue with civil society: B20, L20, Y20, G20, W20, Science (S/T20)