

Communiqué - Meeting of G-20 Finance Ministers and Central Bank Governors - Washington D.C., 10-11 April 2014

1. We welcome the prospects for global economic growth to strengthen in 2014 but remain vigilant in the face of important global risks and vulnerabilities. We are determined to manage these risks and take actions to further strengthen the recovery, create jobs and improve medium-term growth prospects.

2. We commit to working with our leaders and across our governments to ensure that our comprehensive growth strategies to be presented at the Brisbane Summit outline ambitious, realistic and concrete measures to achieve strong, sustainable and balanced growth. We will develop these measures to support growth and create jobs in the context of maintaining financial sector stability and fiscal sustainability, including by addressing tax avoidance and evasion. To meet our Sydney growth ambition to lift our collective GDP by more than 2 per cent above the trajectory implied by current policies over the coming 5 years, we are committed to developing new actions that: build on previous G20 commitments; address identified gaps in our policy settings; lift and rebalance global demand and achieve exchange rate flexibility as well as increase growth potential; and create substantial positive spillovers to each other and the world economy. At our September meeting, we will together review our comprehensive growth strategies, to ensure they include action across a broad front including in the areas of investment, employment and participation, trade and competition, in addition to macroeconomic policies.

3. Structural reforms are especially important to achieve our common objective. We focused at this meeting on the importance of reforms which foster greater competition in product and service markets. These reforms, along with measures to enhance trade, can foster efficiency and dynamism and lift productivity in our economies, especially when combined with strong competition frameworks and enforcement.

4. We reaffirmed the critical importance that investment plays in lifting economic growth and employment, including in low income countries. As part of the package of measures for the Brisbane Summit, we will commit to country specific and collective actions to be included in our growth strategies. These will include a set of leading practices to promote and prioritise quality investment, particularly in infrastructure. We will also examine appropriate mechanisms to support the implementation of these leading practices, including ways to improve the quality and accessibility of investment information and enhance the capacity of financial markets to channel more long-term finance, including to small and medium enterprises. We welcome the decision recently taken by the World Bank Group to better utilise its balance sheet to increase its lending capacity. We will improve our investment climates and develop approaches to better leverage

private sector involvement, working with the World Bank Group, regional development banks and the OECD.

5. We are strengthening our macroeconomic cooperation by further deepening our understanding of each other's policy frameworks and assessing the collective implications of our national policies across a range of possible outcomes. We will continue to provide clear and timely communication of our actions and be mindful of impacts on the global economy as policy settings are recalibrated.

6. We are monitoring the economic situation in Ukraine, mindful of any risks to economic and financial stability, and welcome the IMF's recent engagement with Ukraine as the authorities work to undertake meaningful reforms. The situation in Ukraine highlights the important role of the IMF as the world's first responder to financial crises. We agree that the IMF and the World Bank Group remain the institutions best placed to help countries to deal with their economic challenges through policy advice and catalytic financing.

7. We are deeply disappointed with the continued delay in progressing the IMF quota and governance reforms agreed to in 2010 and the 15th General Review of Quotas (GRQ) including a new quota formula. We reaffirm the importance of the IMF as a quota based institution. The implementation of the 2010 reforms remains our highest priority and we urge the US to ratify these reforms at the earliest opportunity. We are committed to maintaining a strong and adequately resourced IMF. If the 2010 reforms are not ratified by year-end, we will call on the IMF to build on its existing work and develop options for next steps and we will work with the IMFC to schedule a discussion of these options.

8. As part of our commitment to end the problem of too-big-to-fail, we welcome progress in the development of proposals by the Brisbane Summit on the adequacy of gone-concern loss absorbing capacity of global systemically important banks (G-SIBs) if they fail. The proposals should give home and host authorities and markets confidence that an orderly resolution of a G-SIB without exposing taxpayers to loss can be implemented. To improve the resolvability of global systemically important financial institutions we commit to reduce uncertainty in arrangements for cross-border recognition of resolution actions and accelerate progress on firm-specific cross-border cooperation agreements. We agree that the FSB's review of the structure of its representation should ensure the FSB remains well prepared to respond to the full range of challenges as we transition from the crisis response phase.

Annex

Reports received

We welcome the following reports delivered ahead of the G20 Finance Ministers and Central Bank Governors meeting, April 2014:

Optimizing World Bank Group Resources and Supporting Infrastructure Financing, World Bank Group report to Finance Ministers and Central Bank Governors, April 2014.

Pooling of Institutional Investors Capital – Selected case studies in unlisted equity infrastructure, OECD report, April 2014.

Revised Guidelines for Public Debt Management, IMF and World Bank Group, April 2014. The revised guidelines were commissioned by the Russian 2013 G20 Presidency.

Financial Reforms – Update on Progress, Financial Stability Board Chairman's letter to G20 Finance Ministers and Central Bank Governors, April 2014.

Report of the OTC Derivatives Regulators Group on Cross-Border Implementation Issues, March 2014.

Anti-Corruption Working Group Co-chair Report to Finance Ministers and Central Bank Governors, April 2014.

How can competition contribute to the G-20 commitment to raise GDP by at least 2%?, OECD note, April 2014.

Issues for further action

We ask the IMF, FSB and BIS to advance work by our September meeting to address data gaps involving foreign currency exposures, building as far as possible on existing statistical and data initiatives to better assess cross-border risks.

We ask the World Bank Group and regional development banks to meet with the Investment and Infrastructure Working Group before our September meeting and outline the specific actions they are taking to enhance the effectiveness of their existing resources, including for infrastructure investment. We look forward to an update on work regarding a mutually beneficial framework for exchanging exposures between multilateral development banks. We also ask the World Bank Group and regional development banks to meet to discuss areas where they can strengthen collaboration and cooperation on infrastructure investment, including through the World Bank Group's proposal for a global infrastructure facility, and report back in September.

We ask the G20 Climate Finance Study Group to report at our next meeting on their work to identify a range of policy options on key issues, including ways to effectively mobilise climate finance, taking into account the objectives, principles and provisions of the UNFCCC, as tasked by leaders in St Petersburg.

We look forward to the G20/OECD Task Force on Institutional Investors and Long-Term Financing developing a voluntary checklist to assist governments in self-assessing their support schemes for long-term investment financing, by our September meeting.