

Policy Note



A forum for the 21st century

“As a Forum representing over 80% of the global economy, we have a responsibility to all citizens. We will remain engaged with the international community as a whole and make sure that the interests of countries at all stages of development are taken into account. Nor can we ignore the far-reaching impact of our actions. To this end, we will ... listen carefully to all institutions and countries that are not in the Group.”

G20 Leaders' Fifth Anniversary Vision Statement, St Petersburg, September 2013

A short history

The Group of Twenty (G20) is the premier forum for international economic cooperation, bringing together the world's major advanced and emerging economies. The 19 countries and European Union that constitute the G20 represent around 85 per cent of global economic output, more than three-quarters of global trade, two-thirds of the world's population and more than fifty per cent of the world's poor.

The G20 has proven itself as a capable forum for bringing nations together to meet major economic challenges. The group began in 1999 as a meeting of Finance Ministers and Central Bank Governors in the aftermath of the Asian financial crisis. Nearly a decade later, the first G20 Leaders' Summit played a key role in responding to the global financial crisis (GFC).

The G20's response to the GFC in 2008 showed it can take decisive action that improves people's lives, and serves as testament to the impact G20 members can make when working together. The G20 coordinated trillions of dollars in fiscal stimulus packages worldwide,

which saved millions of jobs that would otherwise have been lost. It also put in place measures to prevent the collapse of financial markets and helped maintain consumer and business confidence.

Over the past five years, the G20 has led the world's efforts to restore growth and build the resilience of financial institutions and national economies. With the world now free from immediate economic crisis, the G20 has shifted its attention to driving practical actions for sustained growth.

BUILDING HABITS OF COOPERATION AND TRUST

The G20's developed and emerging economies face similar challenges: we need to close infrastructure gaps, strengthen productivity and increase employment. The global economy is transforming, driven by the strengthening of economies in Asia and the growing middle class around the world. Nations' economies are increasingly integrated and interconnected, creating a need to build a durable international order that can underpin global prosperity in the 21st century.

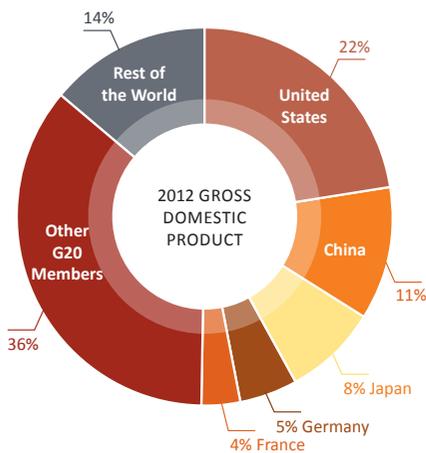
G20 MEMBERS

Argentina	Italy
Australia	Japan
Brazil	Republic of Korea
Canada	Mexico
China	Russia
European Union	Saudi Arabia
France	South Africa
Germany	Turkey
India	United Kingdom
Indonesia	United States

As the world shifts to this new reality, the G20 has a role to play in building habits of cooperation and trust among its members. This is perhaps the most important and enduring role for the G20 – and its most challenging.

The G20 provides an opportunity for leaders to talk and engage on the practical issues of the day, first and foremost in responding to a crisis, but

Global GDP



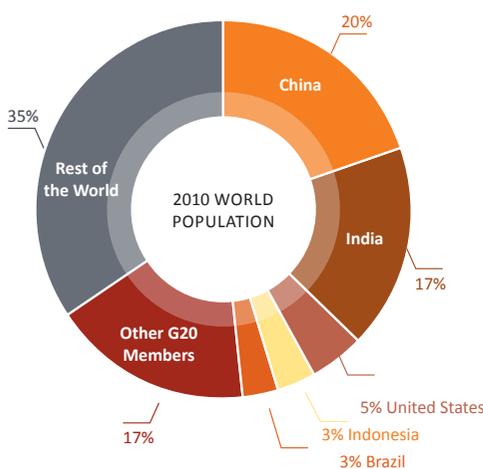
International Monetary Fund
World Economic Outlook April 2014

Global Trade



World Trade Organisation
Global Database 2012 data

Global Population



United Nations
World Population Prospects Database 2010 data

also in dealing with other important economic issues like development, food and energy costs, and governance and corruption. The G20 has worked well because leaders have been willing to take significant action, allowing the forum to be a high-level catalyst for compromise, reform and change.

PREPARING FOR THE BRISBANE LEADERS' SUMMIT

The G20 year reaches its climax at the Leaders' Summit, where world leaders meet to make decisions on key economic and financial policy issues.

The 2014 Leaders' Summit, to be held on 15-16 November at the Brisbane Convention and Exhibition Centre, will be the ninth meeting of G20 leaders since 2008. The Leaders' Summit will produce a communiqué that outlines G20 policy commitments and plans to strengthen the global economy.

As G20 president and host of the Leaders' Summit in 2014, Australia is working with members around the key themes of:

- ▶ promoting strong economic growth and employment outcomes, especially by empowering the private sector;
- ▶ making the global economy more resilient to future shocks; and
- ▶ strengthening global institutions and ensuring their ongoing relevance to the global economy of the 21st century.

Australia has advocated for a concise agenda in order to maximise leaders' attention on issues where the G20 can make a difference in 2014. The centrepiece of Australia's host year will be the delivery of country-specific growth strategies. These are plans that each G20 leader will commit to in Brisbane, and will contain a set of domestic reform commitments aimed at lifting growth and boosting jobs.

In February 2014, G20 Finance Ministers and Central Bank Governors put a benchmark on G20 action and agreed that growth strategies would aim to raise the G20's collective GDP output

THE GLOBAL ECONOMY



According to the IMF, OECD and World Bank, raising G20 output by 2 per cent is equivalent to adding 2 trillion dollars and millions of jobs to the global economy.

by more than 2 per cent above the current trajectory over the next five years. The 2 per cent goal makes G20 members accountable to their collective commitment in a very transparent way. If successful, it will make a profound difference to people around the world by adding over \$2 trillion to global GDP and generating millions of additional jobs.

G20 AND THE WORLD

Global economic growth matters to all nations not just those in the G20. Each year the G20 president invites a number of countries to participate as guests. This includes Spain (an agreed permanent guest); the Chair of ASEAN; two African countries (the chair of the African Union and a representative of the New Partnership for Africa's Development – NEPAD) and a country or countries invited by the presidency, usually from its own region.

Since the first leader-level meeting of the G20 in 2008, guests have included Benin, Brunei, Cambodia, Chile, Colombia, Equatorial Guinea, Ethiopia, Kazakhstan, Malawi, the Netherlands, Singapore, Spain, Switzerland, Thailand, the United Arab Emirates and Vietnam.

In 2014, Australia welcomes Mauritania (2014 Chair of the African Union), Myanmar (2014 Chair of the Association of South-East Asian Nations), New Zealand, Senegal (representing the New Partnership for Africa's Development), Singapore and Spain as the official 2014 guest countries. Australia is also engaging with non-G20 countries.



Australia's Treasurer Joe Hockey chairs the Finance Ministers and Central Bank Governors meeting in Cairns, Queensland, 20 September 2014

HOW IT HAPPENS

The G20 host leads the preparatory process for the annual Leaders' Summit working closely with member countries, including through the 'troika'.

The current G20 host works with the immediate past and future G20 hosts in a troika arrangement. The current members of the G20 troika are Australia, Russia (2013 host) and Turkey (2015 host). This helps to ensure continuity in the G20 agenda.

The subjects covered by the G20 are widespread and complex, so to make the task more manageable two broad streams have been established – one led by sherpas (officials who represent their leaders in G20 discussions), and another led by finance ministries and central banks. Under Australia's presidency these two groups have worked closely together, with the first-ever combined meeting taking place in Melbourne in June. In preparing for the Leaders' Summit, Australia has also hosted meetings of ministers and subject-specific working groups.

The G20 draws on policy analysis and advice from international organisations including the Financial Stability Board, the International Labour Organization, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and the World Trade Organization. Representatives of these organisations are invited to key G20 meetings, including the Leaders' Summit.

The contribution of non-government organisations is becoming an established part of the G20's annual work program as is outreach to countries that are not in the G20. This deepening collaboration with the engagement groups and non-member countries is reflected in the G20 Leaders' Fifth Anniversary Vision Statement agreed in St Petersburg in September 2013.

WORKING WITH OTHERS

The G20 also listens to the views of non-government groups. The G20 established five engagement groups to contribute to leaders' deliberations at the Brisbane Leaders' Summit. The groups are Business 20 (B20) for the private sector, Civil 20 (C20) for civil society, Labour 20 (L20) for labour organisations, Think 20 (T20) for thought leaders and Youth 20 (Y20) for young people. Throughout Australia's presidency, engagement groups have been an important part of G20 dialogue.

Further information

Website: G20.org

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