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The
G20 Research Group
at Trinity College at the Munk School of Global Affairs in the University of Toronto
presents the

2015 G20 Antalya Summit Interim Compliance Report: Part 1

16 November 2015 to 5 April 2016

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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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3. Macroeconomics: Fiscal Policies

“We reiterate our commitment to implement fiscal policies flexibly to take into account near-term economic conditions, so as to support growth and job creation, while putting debt as a share of GDP on a sustainable path.”

G20 Antalya Leaders’ Communiqué

Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada		0	
China		0	
France		0	
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan		0	
Korea		0	
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa			+1
Turkey		0	
United Kingdom		0	
United States		0	
European Union		0	
Average		+0.25	

Background

At the 2013 St. Petersburg Summit, G20 leaders agreed to develop and implement “Comprehensive Growth Strategies.” G20 leaders presented peer-reviewed strategies as part of the 2014 Brisbane Action Plan, acknowledging that these strategies represented a key mechanism through which global economic recovery could be achieved. In February 2014, the finance ministers and central bank governors indicated that adherence to this commitment by G20 countries, rather than reliance on existing macroeconomic policies, would raise the collective gross domestic product (GDP) by more than 2 per cent over the next five years. Subsequent analysis by the International Monetary Fund and the Organisation for Economic Co-operation and Development revealed that this increase in collective GDP would be closer to 2.1 per cent, attributing a quarter of the increase to positive spillovers to the global economy resulting from simultaneous implementation of policies.

On 15-16 November 2014, G20 leaders at the Brisbane Summit acknowledged that recovery from the global financial crisis remained uneven, hampered by “weak cyclical recovery...weakened productive capacity in key economies, and a legacy of vulnerabilities from the financial crisis.” G20 leaders reaffirmed the need for a concerted effort towards strong, sustainable and balanced growth, and agreed that implementing flexible fiscal strategies, which take into consideration national economic circumstances, are key to recovery and job creation.

On 15-16 November 2015, G20 leaders at the Antalya Summit renewed their commitment to “fully implement our comprehensive growth strategies in a timely manner, as well as all our past

commitments, to move towards our overarching objective of strong, sustainable and balanced growth.” Many members “updated their St. Petersburg fiscal strategy as part of their growth strategy for the Brisbane Summit and their adjusted growth strategy for the Antalya Summit taking into account policy development, short-term growth and inflation developments.”

Commitment Features

This commitment is based on achieving fiscal sustainability through the implementation of sound economic policy measures, tailored to the specific objectives and circumstances of each country. Specifically, this commitment recognizes that each country will have different priorities, dictated by their individual economic circumstances. During the 2014 Brisbane Summit, each G20 country submitted individual Comprehensive Growth Strategies, which describe each country’s fiscal policy objectives. Adjusted growth strategies were submitted ahead of the Antalya Summit. The objectives outlined in the growth strategies have taken into account each country’s near-term economic conditions, which is evident in the variance — in strength and nature — of policy commitments across countries. Moreover, each country’s comprehensive growth strategy outlines measures within their fiscal objectives that address putting debt-to-GDP ratios on a sustainable path.

Therefore, for the purpose of this report, the fiscal policy objectives within the individual country Comprehensive Growth Strategies will provide the basis for assessing country compliance. Each individual country report below will begin by identifying the fiscal policy objectives outlined in each comprehensive growth strategy. The report will then assess compliance based on any actions taken by each member to fulfill the stated fiscal policy objectives. Full compliance will be awarded to G20 members that have taken actions towards implementing all their stated fiscal policy objectives within their individual growth strategies.

Scoring Guidelines

-1	Member has made NO progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.
0	Member has made SOME progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.
+1	Member has implemented ALL fiscal policy measures stated within its comprehensive growth strategy.

Lead Analyst: Alessandra Harkness

Argentina: 0

Argentina has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Argentina outlined the following fiscal strategies in its comprehensive growth strategy:

- Increase the production of oil, gas and refined fuels and boosting hydroelectric power through the building of two large dams;
- Increase employment, improve workers’ skills and fight against informality in employment;
- Raise pension coverage with the goal of augmenting it to benefit 100 per cent of people who reach retirement age;
- Increase capacity and improve performance of the main freight railway in Argentina;
- Reinforce the Central Bank’s policies to increase the level of financing available for small and medium sized enterprises and less developed regions through different mechanisms and incentives.³⁸⁰

³⁸⁰ Comprehensive Growth Strategy: Argentina, Australia 2014 G20 (Brisbane), 15 November 2014. Access Date: 3 March 2016. http://www.g20australia.org/official_resources/current_presidency/growth_strategies.

On 1 December 2015, construction for a hydroelectric dam in Patagonia began.³⁸¹ This dam is expected to have an installed capacity of 1.7 gigawatts and will be the largest dam contained in one country.³⁸² The dam is expected to bring jobs to the region and grow the size of the town.³⁸³

On 18 December 2015, President Mauricio Macri, Vice President Gabriela Michetti, Minister of Treasury and Finance Alfonso Prat-Gay, and Minister of Interior Affairs, Public Works and Housing Rogelio Frigerio met with Luis Alberto Moreno Mejía, the President of Inter-American Development Bank (IDB) at Government House to reach an agreement.³⁸⁴ At the conference, they committed ARS5 billion pesos to be released over the next four years to support development. This money will be spent on infrastructure and social assistance to move Argentina towards a nation with zero poverty.³⁸⁵ These projects include, but are not limited to, modernizing state facilities and alleviating early childhood poverty.

On 2 February 2016, the Minister of Treasury and Finance, Alfonso Prat-Gay, and the Governor of Cordoba, Juan Schiaretti, sealed an addendum to the Framework Convention on financing ARS540 million signed in April 2015 in order to rebuild infrastructure in the region.³⁸⁶ The loan is intended for infrastructure projects needed to cope with the economic and social impact of intense storms, such as the storm in the Sierras Chicas of February 2015.³⁸⁷

On 15 February 2016, Minister of Treasury and Finance, Alfonso Prat-Gary, travelled to Tucuman, Argentina to meet with local leaders and present a plan focused on job creation and local development for Argentina's Northern regions. The minister stated that during his trip he wanted to gain a greater understanding of the challenges small and medium sized businesses face. Further, Minister Prat-Gay was looking for ways to improve the Belgrano Plan, which is a multifaceted government plan to alleviate poverty and improve infrastructure. The Belgrano Plan was announced during Mauricio Macri's presidential campaign in October 2015.³⁸⁸

On 20 February 2016, President Macri said the increase in the income tax floor announced on 18 February 2016 will not be followed quickly by tax bracket modifications, which have not been updated since 2000, noting the change would only be implemented in 2017 following a debate in

³⁸¹ Argentina leader leaves controversial legacy with Patagonia dams project, The Guardian (London) 1 December 2015. Access Date: 3 March 2016. <http://www.theguardian.com/world/2015/dec/01/argentina-president-cristina-fernandez-de-kirchner-patagonia-hydroelectric-dam-project>.

³⁸² Argentina leader leaves controversial legacy with Patagonia dams project, The Guardian (London) 1 December 2015. Access Date: 3 March 2016. <http://www.theguardian.com/world/2015/dec/01/argentina-president-cristina-fernandez-de-kirchner-patagonia-hydroelectric-dam-project>

³⁸³ Argentina leader leaves controversial legacy with Patagonia dams project, The Guardian (London) 1 December 2015. Access Date: 3 March 2016. <http://www.theguardian.com/world/2015/dec/01/argentina-president-cristina-fernandez-de-kirchner-patagonia-hydroelectric-dam-project>.

³⁸⁴ Press: The Argentina the IDB support for infrastructure and social assistance, Ministry of Finance (Buenos Aires) 18 December 2015. Access Date: 27 February 2016. <http://www.economia.gob.ar/apoyo-del-bid-a-la-argentina-para-infraestructura-y-ayuda-social/>.

³⁸⁵ Press: The Argentina the IDB support for infrastructure and social assistance, Ministry of Finance (Buenos Aires) 18 December 2015. Access Date: 27 February 2016. <http://www.economia.gob.ar/apoyo-del-bid-a-la-argentina-para-infraestructura-y-ayuda-social/>.

³⁸⁶ Press: The Government speeds up a financing agreement for \$540 million with Córdoba to rebuild infrastructure damaged by the storm of 2015, Ministry of Finance (Buenos Aires) 2 February 2016. Access Date: 27 February 2016. <http://www.economia.gob.ar/el-gobierno-agiliza-un-convenio-de-financiamiento-por-540-millones-con-cordoba-para-reconstruir-la-infraestructura-danada-por-el-temporal-de-2015/>.

³⁸⁷ Press: The Government speeds up a financing agreement for \$540 million with Córdoba to rebuild infrastructure damaged by the storm of 2015, Ministry of Finance (Buenos Aires) 2 February 2016. Access Date: 27 February 2016. <http://www.economia.gob.ar/el-gobierno-agiliza-un-convenio-de-financiamiento-por-540-millones-con-cordoba-para-reconstruir-la-infraestructura-danada-por-el-temporal-de-2015/>.

³⁸⁸ Prat-Gay visited Tucuman with an agenda focused on job creation and local development, Ministry of Finance (Buenos Aires) 15 February 2016. Access Date: 3 March 2016.

Congress.³⁸⁹ Macri asked “everybody” to understand that inflation has to decrease and in order to do that the government’s “spending must be reduced.”³⁹⁰

On 1 March 2016, Minister of Treasury and Finance Alfonso Prat-Gay announced that Argentina had reached an agreement with creditors to cancel sovereign debt to allow Argentina to start growing. He said that this was “the first time in 15 years Argentina begins to definitely leave the default.”³⁹¹

Argentina has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. While Argentina has taken some actions, it has not yet adopted specific policies to boost oil production, increase employment, bolster pension coverage, or improve the business environment for Small and Medium-sized Enterprises (SMEs). They have made investments in their two hydroelectric dam projects and undergone efforts to reduce their debt.

Thus, Argentina has received a score of 0.

Analyst: Jiayang Shan

Australia: +1

Australia has fully complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Australia outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Boost infrastructure investment through the AUD50 billion Infrastructure Investment Programme, which includes the Infrastructure Growth Package and the Northern Australia Infrastructure Facility.
- Grow jobs and small business through the AUD5.5 billion Growing Jobs and Small Business Package that includes AUD5 billion in tax relief for small businesses.
- Support labour force participation through the AUD4.4 billion Families Package that will improve access to child care, as well as education and training reforms.
- Improve competition through reducing regulatory and administrative burdens, including by reducing red tape by AUD1 billion every year.
- Contribute to global trade liberalization by implementing free trade agreements (FTAs) with China, Korea and Japan and pursuing FTAs with other regional partners.³⁹²

On 20 December 2015, the China-Australia Free Trade Agreement (ChAFTA) entered into force. The first round of tariff cuts occurred with its initiation and a second round of cuts was scheduled for 1 January 2016.³⁹³

On 1 January 2016, the Australian government commenced a AUD250 million Interim Home Based Career Pilot Programme. This programme is targeted to assist shift workers whose irregular hours

³⁸⁹ Macri: no changes to income tax brackets, Buenos Aires Herald (Buenos Aires) 20 February 2016. Access Date: 27 February 2016. <http://buenosairesherald.com/article/209120/macri-no-changes-to-income-tax-brackets>.

³⁹⁰ Macri: no changes to income tax brackets, Buenos Aires Herald (Buenos Aires) 20 February 2016. Access Date: 27 February 2016. <http://buenosairesherald.com/article/209120/macri-no-changes-to-income-tax-brackets>

³⁹¹ The Argentine government reached an agreement with holdouts to cancel the sovereignty debt. Ministry of Finance (Buenos Aires) 1 March 2015. Access Date: 3 March 2016. <http://www.economia.gob.ar/el-gobierno-argentino-llego-a-un-acuerdo-con-holdouts-para-cancelar-la-deuda-soberana/>

³⁹² Adjusted Growth Strategy: Australia, G20 Turkey 2015 (Antalya) 15 - 16 November 2015. Access Date: 22 February 2015. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Australia.pdf>.

³⁹³ Historic China-Australia FTA Enters into Force, Minister for Trade and Investment (Canberra) 20 December 2015. Access Date: 23 February 2016. http://trademinister.gov.au/releases/Pages/2015/ar_mr_151220a.aspx?w=O%2F%2FeXE%2BIYc3HpsiRhVI0XA%3D%3D.

make it hard for them to access traditional child care and will fund approximately 4,000 nannies, providing subsidized care to approximately 10,000 children.³⁹⁴

On 4 February 2016, Minister for Trade and Investment Andrew Robb formally signed the Trans Pacific Partnership Agreement, which will see the elimination of 98 per cent of tariffs among 12 countries.³⁹⁵

Australia has implemented all fiscal policy measures stated within its comprehensive growth strategy.

Thus, Australia has received a score of +1.

Analyst: Lauren Dalglish

Brazil: +1

Brazil has fully complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Brazil outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Fiscal consolidation to support economic growth and fiscal sustainability;
- Rebalance expenditures from concurrent expenses toward investment, and boosting investment in infrastructure;
- Increase market productivity, boosting youth employment and making it easier to open and operate Small and Medium Enterprises (SMEs);
- Advance trade facilitation.³⁹⁶

On 24 February 2016, Moody's downgraded Brazil's sovereign rating by two steps to Ba2.³⁹⁷ Moreover, it projected that more downgrades were likely to take place in the future. Indeed, annual inflation rates in Brazil are at their highest in more than a decade.³⁹⁸

On 26 February 2016, the Brazilian government proposed a pension and tax reform for the purpose of imposing a growth limit to public spending.³⁹⁹ Furthermore, it reemphasized the importance of further structural reforms and expressed its desire to continue its commitment to such reforms.⁴⁰⁰ On 25 February 2015, Brazil announced a monthly surplus of BRL14.835 billion — the highest for the

³⁹⁴ Healthy Families and Flexible Care, Budget 2015 Overview (Canberra) 12 May 2015. Access Date: 23 February 2016. <http://www.budget.gov.au/2015-16/content/overview/download/Budget-2015-Overview.pdf>.

³⁹⁵ Robb Signs historic Trans Pacific Trade Pact (TPP) in New Zealand, Minister for Trade and Investment (Canberra) 4 February 2016. Access Date: 23 February 2016.

http://trademinister.gov.au/releases/Pages/2016/ar_mr_160204.aspx?w=O%2F%2FeXE%2BIYc3HpsIRhVIOXA%3D%3D.

³⁹⁶ Comprehensive Growth Strategy: Brazil, G20 Turkey 2015 (Antalya) November 2015. Access: 26 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Brazil.pdf>.

³⁹⁷ Brazil Credit Ratings Cut to Junk by Moody's, Bloomberg Business (New York) 24 February 2016. Access: 26 February 2016. <http://www.bloomberg.com/news/articles/2016-02-24/brazil-downgraded-to-junk-by-moody-s-with-negative-outlook>.

³⁹⁸ Brazil Credit Ratings Cut to Junk by Moody's, Bloomberg Business (New York) 24 February 2016. Access: 26 February 2016. <http://www.bloomberg.com/news/articles/2016-02-24/brazil-downgraded-to-junk-by-moody-s-with-negative-outlook>.

³⁹⁹ Minister emphasizes the importance of structural reforms for sustainable growth, Ministry of Finance (Brasilia) 26 February 2016. Access Date: 26 February 2016. <http://fazenda.gov.br/noticias/2016/fevereiro/ministro-ressalta-a-importancia-de-reformas-estruturais-para-crescimento-duradouro>.

⁴⁰⁰ Minister emphasizes the importance of structural reforms for sustainable growth, Ministry of Finance (Brasilia) 26 February 2016. Access Date: 26 February 2016. <http://fazenda.gov.br/noticias/2016/fevereiro/ministro-ressalta-a-importancia-de-reformas-estruturais-para-crescimento-duradouro>.

month since 2013, and the first positive result since April of 2015. It also announced a real growth of 28 per cent in the balance of its national treasury, and alluded to future structural reform.⁴⁰¹

On 25 January 2016, the Brazilian government adopted a greener and more efficient energy plan by shutting down thermal plants with prohibitively expensive operating costs.⁴⁰² This has been projected to yield a six to seven per cent decrease in the average consumer's electricity bill starting in April of 2016.⁴⁰³

On 24 February 2016, Brazil announced a government concession of BRL3.58 billion for the building of federal roads.⁴⁰⁴ This concession is part of the Logistics Investment Program, the purpose of which is to expand Brazil's transport infrastructure.⁴⁰⁵ On 16 December 2015, the Brazilian government announced an investment of BRL103 million towards the expansion of subway and tramway networks.⁴⁰⁶

On 18 February 2016, Idilvan Alecar, President of the National Fund for Education Development, presented a series of technologically enhanced expansion modules for nurseries and preschools.⁴⁰⁷ Alecar asserts that these modules, in quickening construction and lowering cost of nurseries and preschools, will advance the first target of Brazil's National Economic Plan.⁴⁰⁸

On 11 February 2016, the Brazilian government announced the transfer of BRL11.83 billion to the country's education allowance, representing an increase of 3.3 per cent from the 2015 allowance.⁴⁰⁹ On 22 February 2016, Brazil announced the creation of 4,000 jobs to be offered in the Youth Program of Post Apprenticeships. The program, which offers 20 hours of learning opportunities and a salary of BRL413.33, aims at developing the familiarity and effectiveness of students in the workplace.⁴¹⁰

⁴⁰¹ Central government has a primary surplus of R \$ 14.8 billion in January, Ministry of Finance (Brasilia) 25 February 2016. Access Date: 26 February 2016. <http://fazenda.gov.br/noticias/2016/fevereiro/governo-central-apresenta-superavit-primario-de-r-14-8-bi-em-janeiro>.

⁴⁰² Electricity bill will be cheaper from April, Portal Brazil (Brasilia) 25 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/infraestrutura/2016/02/conta-de-luz-ficara-mais-barata-a-partir-de-abril>.

⁴⁰³ Electricity bill will be cheaper from April, Portal Brazil (Brasilia) 25 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/infraestrutura/2016/02/conta-de-luz-ficara-mais-barata-a-partir-de-abril>.

⁴⁰⁴ BNDES approves R \$ 3.58 billion for concession of federal roads, Portal Brazil (Brasilia) 24 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/infraestrutura/2016/02/bndes-aprova-r-3-58-bi-para-concessionaria-de-rodovias-federais>.

⁴⁰⁵ BNDES approves R \$ 3.58 billion for concession of federal roads, Portal Brazil (Brasilia) 24 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/infraestrutura/2016/02/bndes-aprova-r-3-58-bi-para-concessionaria-de-rodovias-federais>.

⁴⁰⁶ DF receives R \$ 103 million to expand subway and tramway, Portal Brazil (Brasilia) 16 December 2015. Access Date: 26 February 2016. <http://www.brasil.gov.br/infraestrutura/2015/12/df-recebe-r-103-milhoes-para-expandir-metro-e-vlt>.

⁴⁰⁷ New technology revolutionizes expansion of day care centers and preschools, Portal Brazil (Brasilia) 19 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/educacao/2016/02/nova-tecnologia-revoluciona-ampliacao-de-creches-e-pre-escolas>.

⁴⁰⁸ New technology revolutionizes expansion of day care centers and preschools, Portal Brazil (Brasilia) 19 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/educacao/2016/02/nova-tecnologia-revoluciona-ampliacao-de-creches-e-pre-escolas>.

⁴⁰⁹ Salary-education projects transfer of R \$ 11.8 billion to states and municipalities in 2016, Portal Brazil (Brasilia) 11 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/educacao/2016/02/salario-educacao-projeta-repasse-de-r-11-8-bi-a-estados-e-municipios-em-2016>.

⁴¹⁰ Post open positions for Young Apprentice throughout the country, Portal Brazil (Brasilia) 11 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/economia-e-emprego/2016/02/correios-abrem-vagas-para-jovem-aprendiz-em-todo-o-pais>.

On 18 February 2016, Brazil and Argentina have announced that they will relaunch their bilateral Trade Commission with the aim of developing productive and commercial integration.⁴¹¹

On 22 February 2016, Brazil's National Bank for Economic and Social Development expanded its financing of the export of capital goods and domestic consumer goods through launching the Exim Pre-shipment Innovative Company. These measures are directed at micro, small, and medium enterprises with annual revenues of up to BRL300 million.⁴¹²

On 25 February 2016, the Brazilian government announced that its Consumer Confidence Index (CCI) rose for the second consecutive month. The rise of 2.1 points to 68.5 represents the highest value in CCI since August of 2015.⁴¹³

Brazil has implemented all fiscal policy measures stated within its comprehensive growth strategy. Brazil has shown progress in implementing fiscal consolidation to support economic growth and fiscal sustainability; in rebalancing expenditures towards investment, and boosting infrastructural investment; increasing market productivity, boosting youth employment, and making easier the operation of SMEs; and facilitating trade.

Thus, Brazil has received a score of +1.

Analyst: Michael Switzer

Canada: 0

Canada has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Canada outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Help families and reduce taxes for the middle class;
- Create high quality jobs and improve sustainability through infrastructure investment;
- Invest in skills, training and innovation.⁴¹⁴

On 30 November 2015, Prime Minister Justin Trudeau announced the launch of Mission Innovation, a clean technology initiative with 19 other countries and leading representatives from the private sector.⁴¹⁵ Canada will invest an additional CAD100 million each year in clean technology

⁴¹¹ Brazil and Argentina decided to expand production and trade integration, Portal Brazil (Brasilia) 18 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/economia-e-emprego/2016/02/brasil-e-argentina-retomam-integracao-productiva-e-comercial>.

⁴¹² New BNDES financing line stimulates export, Portal Brazil (Brasilia) 22 February 2016. Access Date: 26 February 2016. <http://www.brasil.gov.br/economia-e-emprego/2016/02/nova-linha-de-financiamento-do-bndes-estimula-a-exportacao>.

⁴¹³ Consumer Confidence Index rises for the second consecutive month, Portal Brazil (Brasilia) 22 February 2016. Access Date: 25 February 2016. <http://www.brasil.gov.br/economia-e-emprego/2016/02/indice-de-confianca-do-consumidor-sobe-pelo-segundo-mes-consecutivo>.

⁴¹⁴ Adjusted Growth Strategy: Canada, G20 Turkey 2015 (Antalya) 15 - 16 November 2015. Access Date: 22 February 2015. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Canada.pdf>.

⁴¹⁵ Prime Minister Announces Action on Clean Jobs and Energy, Prime Minister of Canada Justin Trudeau (Ottawa) 30 November 2015. Access Date: 22 February 2015. <http://pm.gc.ca/eng/news/2015/11/30/prime-minister-announces-action-clean-jobs-and-energy>.

production.⁴¹⁶ The government will also invest an additional CAD200 million each year to support innovation and the use of clean technologies in the natural resources sector.⁴¹⁷

On 7 December 2015, Finance Minister Bill Morneau announced a tax cut aimed at the middle class that will benefit 9 million Canadians each year.⁴¹⁸ The personal income tax rate will be cut from 22 per cent to 20.5 per cent.⁴¹⁹ Single individuals who benefit will see an average tax reduction of CAD330 per year and couples who benefit will see an average tax reduction of CAD540 per year.⁴²⁰ To fund this middle class tax cut, a new top personal income tax rate of 33 per cent for individual taxable incomes in excess of CAD200,000 was created.⁴²¹ Tax-Free Savings Account annual contribution limit will be lowered to CAD5,500 from CAD10,000. These tax changes will take effect on 1 January 2016.⁴²²

On 5 January 2016, Minister of International Trade Chrystia Freeland and the Minister of Small Business and Tourism Bardish Chagger announced a program, CanExport, which will provide CAD50 million to help Canadian small and medium-sized enterprises take advantage of the global export opportunities while creating jobs and growth in Canada.⁴²³

On 10 February 2016, Canada signed a Foreign Investment Promotion and Protection Agreement (FIPA) with Hong Kong.⁴²⁴

Canada has made some progress in implementing fiscal policy measures stated within its comprehensive growth strategy. Canada has implemented fiscal policies in tax reform, creating high quality jobs and funding innovation, but it has not made much progress addressing families, infrastructure investments or investments in skills and training.

Thus, Canada has received a score of 0.

Analyst: Lauren Dalgliesh

⁴¹⁶ Prime Minister Announces Action on Clean Jobs and Energy, Prime Minister of Canada Justin Trudeau (Ottawa) 30 November 2015. Access Date: 22 February 2015. <http://pm.gc.ca/eng/news/2015/11/30/prime-minister-announces-action-clean-jobs-and-energy>.

⁴¹⁷ Prime Minister Announces Action on Clean Jobs and Energy, Prime Minister of Canada Justin Trudeau (Ottawa) 30 November 2015. Access Date: 22 February 2015. <http://pm.gc.ca/eng/news/2015/11/30/prime-minister-announces-action-clean-jobs-and-energy>.

⁴¹⁸ Government of Canada Announces Tax Cut to Strengthen the Middle Class, Department of Finance Canada (Ottawa) 7 December 2015. Access Date: 22 February 2016. <http://www.fin.gc.ca/n15/15-086-eng.asp>.

⁴¹⁹ Government of Canada Announces Tax Cut to Strengthen the Middle Class, Department of Finance Canada (Ottawa) 7 December 2015. Access Date: 22 February 2016. <http://www.fin.gc.ca/n15/15-086-eng.asp>.

⁴²⁰ Government of Canada Announces Tax Cut to Strengthen the Middle Class, Department of Finance Canada 7 December 2015. Access Date: 22 February 2016. <http://www.fin.gc.ca/n15/15-086-eng.asp>.

⁴²¹ Government of Canada Announces Tax Cut to Strengthen the Middle Class, Department of Finance Canada (Ottawa) 7 December 2015. Access Date: 22 February 2016. <http://www.fin.gc.ca/n15/15-086-eng.asp>.

⁴²² Government of Canada Announces Tax Cut to Strengthen the Middle Class, Department of Finance Canada (Ottawa) 7 December 2015. Access Date: 22 February 2016. <http://www.fin.gc.ca/n15/15-086-eng.asp>.

⁴²³ Ministers of International Trade and Small Business and Tourism Announce New Export Program for Canadian Companies, Government of Canada (Ottawa) 5 January 2016. Access Date: 22 February 2016. <http://news.gc.ca/web/article-en.do?crtr.sj1D=&crtr.mnthndVI=12&mthd=advSrch&crtr.dpt1D=6673&nid=1026739&crtr.lc1D=&crtr.tp1D=1&crtr.yrStrtVI=2016&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=3&crtr.yrndVI=2016&crtr.dyndVI=31>.

⁴²⁴ Canada and Hong Kong Sign Investment Agreement, Government of Canada (Ottawa) 10 February 2016. Access Date: 22 February 2016. <http://news.gc.ca/web/article-en.do?sessionid=d1829dba364fc3f5e9af2b7ebcf9467f34c7bc0f0e5ea9c91434693d302dd7ee.e38RbhaLb3qNe3aPc3r0?crtr.sj1D=&crtr.mnthndVI=12&mthd=advSrch&crtr.dpt1D=6673&nid=1032989&crtr.lc1D=&crtr.tp1D=1&crtr.yrStrtVI=2016&crtr.kw=&crtr.dyStrtVI=1&crtr.aud1D=&crtr.mnthStrtVI=1&crtr.page=1&crtr.yrndVI=2016&crtr.dyndVI=31>.

China: 0

China has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

China outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Keep economic growth within a proper range;
- Focus on quality improving and upgrading of the economy;
- Maintain price stability;
- Give high priority to improving people's wellbeing;
- Maintain basic balance of international payments.⁴²⁵

On 23 November 2015, the State Council of the People's Republic of China issued a guideline to boost consumption by bringing new opportunities for development in areas such as infrastructure and public services.⁴²⁶ The guideline is aimed at "promoting consumption in care for the elderly"⁴²⁷ and "encouraging people to spend more on education, culture, and sports."⁴²⁸

On 14 February 2016, the State Council called for the enhancement of research and development of drugs in urgent need and the acceleration of the industrialization of drugs for diseases.⁴²⁹ It recognized the lack of innovative medicine in China that leads to patients seeking these drugs overseas and stressed the importance of development and industrialization of domestic pharmaceutical enterprises.⁴³⁰

On 16 February 2016, the People's Bank of China along with eight economic regulators released a guide for China to expand credit to industrial enterprises.⁴³¹ They will provide more support for "industries as they are being encouraged to transform themselves amid the country's industrial upgrades."⁴³²

On 17 February 2016, the State Council issued a guideline to provide more support for the poor to meet basic needs.⁴³³ This guideline will allow eligible people to receive basic necessities from the government as well as basic care services as needed.⁴³⁴

⁴²⁵ Adjusted Growth Strategy: China, G20 Turkey (Antalya) October 2015. Date of Access: 22 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-China.pdf>.

⁴²⁶ State Council issues guideline to boost role of consumption, The State Council (Beijing) 23 November 2015. Date of Access Date: 23 February 2016. http://english.gov.cn/policies/latest_releases/2015/11/23/content_281475240632924.htm.

⁴²⁷ State Council issues guideline to boost role of consumption, The State Council (Beijing) 23 November 2015. Date of Access Date: 23 February 2016. http://english.gov.cn/policies/latest_releases/2015/11/23/content_281475240632924.htm.

⁴²⁸ State Council issues guideline to boost role of consumption, The State Council (Beijing) 23 November 2015. Date of Access Date: 23 February 2016. http://english.gov.cn/policies/latest_releases/2015/11/23/content_281475240632924.htm.

⁴²⁹ Pharmaceutical industry requires upgrade and innovation, The State Council 15 February 2016. Access Date: 22 February 2016. http://english.gov.cn/policies/policy_watch/2016/02/15/content_281475290364118.htm.

⁴³⁰ Pharmaceutical industry requires upgrade and innovation, The State Council 15 February 2016. Access Date: 22 February 2016. http://english.gov.cn/policies/policy_watch/2016/02/15/content_281475290364118.htm.

⁴³¹ China to increase financial support for industrial upgrade, Xinhua (Beijing) 16 February 2016. Access Date: 22 February 2016. http://news.xinhuanet.com/english/2016-02/16/c_135103898.htm.

⁴³² China to increase financial support for industrial upgrade, Xinhua (Beijing) 16 February 2016. Access Date: 22 February 2016. http://news.xinhuanet.com/english/2016-02/16/c_135103898.htm.

⁴³³ China to increase financial support for industrial upgrade, Xinhua (Beijing) 16 February 2016. Access Date: 22 February 2016. http://news.xinhuanet.com/english/2016-02/16/c_135103898.htm.

On 17 February 2016, the State Council executive meeting concluded that regulations needed to be relaxed for scientific and technical research achievements so they could be transferred from national research institutions to enterprises.⁴³⁵ This decision is intended to accelerate the process of scientific findings and to promote scientific innovation.⁴³⁶

On 22 February 2016, the Political Bureau of the Communist Party of China's Central Committee pledged to "stabilize and improve macro policies to create an amicable environment for economic growth and ongoing structural reforms."⁴³⁷

China has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. China has implemented several policies to support growth, improve the economy, and improve people's wellbeing but it has not implemented policies to keep economic growth in proper range, maintain price stability, or maintain a basic balance of international payments.

Thus, China has received a score of 0.

Analyst: Doris Li

France: 0

France has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

France outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Lower the cost of factors of production to stimulate employment and improve business competitiveness;
- Improve labour market functioning and increase incentives to take up jobs;
- Adapt goods and services market regulations to allow for productivity gains and lower consumer prices and to boost business competitiveness gains;
- Support productive investment to increase long-term growth;
- Simplify administrative formalities for businesses;⁴³⁸

On 18 January 2016, France's President François Hollande announced a two-year USD2.2 billion plan aiming to subsidize the hiring of 500,000 people.⁴³⁹

On 3 February 2016, the Conseil de la simplification pour les entreprises — the Council for the Simplification of Business Procedures introduced 90 measures for the simplification of business activities, including a cost simulator for small and medium enterprises (SMEs).⁴⁴⁰

⁴³⁴ China to increase financial support for industrial upgrade, Xinhua (Beijing) 16 February 2016. Access Date: 22 February 2016. http://news.xinhuanet.com/english/2016-02/16/c_135103898.htm.

⁴³⁵ Relaxed rules on research findings to promote scientific innovation, The State Council (Beijing), 18 February 2016. Access Date: 22 February 2016.

http://english.gov.cn/policies/policy_watch/2016/02/18/content_281475292105490.htm.

⁴³⁶ Relaxed rules on research findings to promote scientific innovation, The State Council (Beijing), 18 February 2016. Access Date: 22 February 2016.

http://english.gov.cn/policies/policy_watch/2016/02/18/content_281475292105490.htm.

⁴³⁷ Chinese leadership vows stable macroeconomic policies to sustain growth, Xinhua (Beijing) 22 February 2016. Access Date: 24 February 2016. http://news.xinhuanet.com/english/2016-02/22/c_135120870.htm.

⁴³⁸ "Adjusted Growth Strategy 2015: France" G20 Turkey 2015 (Antalya) November 2015. Access Date: February 26 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-France.pdf>.

⁴³⁹ "François Hollande Aims 2 Billion Euro Plan at France's Economic 'Emergency'" The New York Times (New York) 18 January 2016. Access Date: 27 February 2016. <http://www.nytimes.com/2016/01/19/business/international/hollande-aims-2-billion-plan-at-frances-high-unemployment.html>.

France has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. France has taken steps to improve labour market functioning and to simplify formalities for businesses, as outlined in its growth strategy, however, it has not taken any action to lower factors of production or to adapt goods and services regulations to enable productivity gains.

Thus, France has received a score of 0.

Analyst: Emile Lavergne

Germany: +1

Germany has complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Germany outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Maintain a sound fiscal position; improving framework conditions for investment and innovation, particularly for small and medium enterprises;
- Additional public investment, mainly in infrastructure.⁴⁴¹

On 27 November 2015, the Bundestag approved the 2016 federal budget. Finance Minister Schäuble stated budget priorities include education, research, and innovation, whilst mentioning significant increases in infrastructure investments.⁴⁴² To this end, the budget of the Federal Ministry of Education and Research was increased by EUR1.1 billion, representing an increase of around 7 per cent compared to 2015.⁴⁴³ As part of the High-Tech strategy, research funding for electronics systems increased by almost 9 per cent, and innovation assistance to former East German *länder* also increased by around 9 per cent compared to 2015.⁴⁴⁴

On 13 January 2016, the German Finance Ministry presented the 2015 provisional accounts which demonstrated that the 2015 federal budget required no new borrowing.⁴⁴⁵ The Ministry also set aside a reserve of EUR12.1 billion from the budget surplus, of which it plans to allocate EUR7.2 billion for costs related to the reception and accommodation of asylum-seekers and refugees.⁴⁴⁶ As such, Germany has complied with the commitment to balance (in nominal terms) the federal budget.

On 26 February 2016, the European Commission published its 2016 country report on Germany, noting that public investment remains subdued and poses risks for the future growth potential of the

⁴⁴⁰ "Le choc de simplification" Gouvernement.fr (Paris) 2016. Access Date: 26 February 2016.

<http://www.gouvernement.fr/action/le-choc-de-simplification>

⁴⁴¹ Adjusted Growth Strategy 2015: Germany, G20 Turkey 2015 (Antalya) November 2015. Access Date: 23 February 2016 <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Germany.pdf>

⁴⁴² German Bundestag approves budget for next fiscal year, Die Welle (Germany), 27 November 2015. Access Date: 23 February 2016. <http://www.dw.com/en/german-bundestag-approves-budget-for-next-fiscal-year/a-18880539>.

⁴⁴³ The Budget of the Federal Ministry of Education and Research (Germany). 2016. Access Date: 23 February 2016. <https://www.bmbf.de/en/education-and-research-priority-areas-of-federal-government-policy-1410.html>

⁴⁴⁴ The Budget of the Federal Ministry of Education and Research (Germany). 2016. Access Date: 23 February 2016. <https://www.bmbf.de/en/education-and-research-priority-areas-of-federal-government-policy-1410.html>

⁴⁴⁵ Provisional accounts for 2015 budget, The Federal Ministry of Finance (Germany), 13 January 2016. Access Date: 23 February 2016.

http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal_policy/Articles/2016-01-13-provisional-accounts-for-2015-budget.html.

⁴⁴⁶ Provisional accounts for 2015 budget, The Federal Ministry of Finance (Germany), 13 January 2016. Access Date: 23 February 2016.

http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Fiscal_policy/Articles/2016-01-13-provisional-accounts-for-2015-budget.html.

German economy.⁴⁴⁷ The report highlighted the availability of fiscal space for further public investment. The report did state that public investment as a share of GDP fell in 2015 in both nominal and real terms. However, the European Commission report expects public investment to gain momentum in 2016 and 2017 as a result of measures already adopted by the federal government.⁴⁴⁸ In the federal budget, funds earmarked for investment increased by 2.1 per cent in 2015 and 5.4 per cent in 2016, with federal spending on transport infrastructure expected to reach over EUR 13 billion by 2018, and over EUR 12 billion in 2016, representing an increase from EUR 10.5 billion in 2014.⁴⁴⁹

According to the Federal Ministry of Finance's February 2016 report, to date year-on-year expenditure in transport and communication increased by almost 9 per cent, with expenditure of railways and public transport increasing by over 25 per cent.⁴⁵⁰ This demonstrates commitment to additional public investment in infrastructure spending.

Germany has implemented all fiscal policy measures stated within its comprehensive growth strategy.

Thus, Germany has received a score of +1.

Analyst: Daniel Valls

India: 0

India has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

India outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Infrastructure investment;
- Enabling tax policy;
- Ease of doing business;
- Promote competition by promoting foreign direct investment in certain sectors of the economy;
- Inclusive growth.⁴⁵¹

On 21 December 2015, the Indian government introduced the Insolvency and Bankruptcy Code 2015.⁴⁵² This legal framework is designed to encourage entrepreneurship by solving insolvency and bankruptcy cases in a timely manner.⁴⁵³

⁴⁴⁷ European Commission 2016 Country Report for Germany. 26 February 2016. Access Date: 9 March 2016. http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_germany_en.pdf

⁴⁴⁸ European Commission 2016 Country Report for Germany. 26 February 2016. Access Date: 9 March 2016. http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_germany_en.pdf

⁴⁴⁹ European Commission 2016 Country Report for Germany. 26 February 2016. Access Date: 9 March 2016. http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_germany_en.pdf

⁴⁵⁰ "Federal Ministry of Finance Monthly report for February 2016," Federal Ministry of Finance (Germany) 19 February 2015. Access Date: 23 February 2016.

http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press_Room/Publications/Monthly_Report/Abstract/2016-02-english-version.html

⁴⁵¹ Adjusted Growth Strategy: India, G20 Turkey (Antalya) October 2015. Date of Access: 20 February 2016. <http://g20.org/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-India.pdf>

⁴⁵² Insolvency and Bankruptcy Code: A legislation to promote investments, develop credit markets, The Indian Express (Noida) 22 December 2015. Access Date: 23 February 2016. <http://indianexpress.com/article/india/india-news-india/insolvency-and-bankruptcy-code-a-legislation-to-promote-investments-develop-credit-markets/>

⁴⁵³ Insolvency and Bankruptcy Code: A legislation to promote investments, develop credit markets, The Indian Express (Noida) 22 December 2015. Access Date: 23 February 2016. <http://indianexpress.com/article/india/india-news-india/insolvency-and-bankruptcy-code-a-legislation-to-promote-investments-develop-credit-markets/>

On 29 December 2015, Secretary in the Department of Industrial Policy and Promotion Amitabh Kant stated “FDI will grow by 40-45 per cent in 2016 despite the global slowdown. The government has taken vast number of policy measures this year.”⁴⁵⁴

On 29 December 2015, the government set up a INR40,000 crore National Investment and Infrastructure Fund (NIIF).⁴⁵⁵

On 2 February 2016, the Indian national government announced the creation of the Tax Policy Research Unit (TPRU) and the Tax Policy Council.⁴⁵⁶ The Tax Policy Research Unit will “carry-out studies on various topics of fiscal and tax policies.”⁴⁵⁷ The Tax Policy Council will also consider research findings from the TPRU and “suggest broad policy measures for taxation.”⁴⁵⁸

On 17 February 2016, Prime Minister Narendra Modi called for a meeting with the Opposition to push forward stalled legislative initiatives, especially the goods and services tax bill.⁴⁵⁹

On 15 February 2016, Economic Secretary to the United Kingdom Treasury Harriet Baldwin said that the UK and India will sign an agreement on infrastructure investment at the G20 Finance Ministers meeting in Shanghai in late February.⁴⁶⁰

India has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.

Thus, India has received a score of 0.

Analyst: Doris Li

Indonesia: 0

Indonesia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Indonesia outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Create a larger fiscal space through improvement in the state budget structure;
- Cut subsidies and increase the space for public investment;
- Improve the functioning of the tax administration;

⁴⁵⁴ Govt expects FDI to rise by 45% in 2016, International Business Times (Bangalore) 29 December 2015. Access Date: 22 February 2016. <http://www.ibtimes.co.in/govt-expects-fdi-rise-by-45-2016-reforms-push-661265>.

⁴⁵⁵ Rs 40K-cr infra fund in place, sovereign funds keen to join: Jaitley, Hindustan Times (New Delhi) 29 December 2015. Access Date: 20 February 2016. <http://www.hindustantimes.com/business/rs-40k-cr-infra-fund-inplace-sovereign-funds-keen-to-join-jaitley/story-9FVRe5yFCi8D8FzUwosaYP.html>.

⁴⁵⁶ Government sets-up Tax Policy Research Unit and Tax Policy Council to bring consistency, multidisciplinary inputs, and coherence in Tax Policy, Press Information Bureau (New Delhi) 2 February 2016. Access Date: 23 February 2016. http://www.finmin.nic.in/press_room/2016/setup_TPRU_TPC02022016.pdf.

⁴⁵⁷ Government sets-up Tax Policy Research Unit and Tax Policy Council to bring consistency, multidisciplinary inputs, and coherence in Tax Policy, Press Information Bureau (New Delhi) 2 February 2016. Access Date: 23 February 2016. http://www.finmin.nic.in/press_room/2016/setup_TPRU_TPC02022016.pdf.

⁴⁵⁸ Government sets-up Tax Policy Research Unit and Tax Policy Council to bring consistency, multidisciplinary inputs, and coherence in Tax Policy, Press Information Bureau (New Delhi) 2 February 2016. Access Date: 23 February 2016. http://www.finmin.nic.in/press_room/2016/setup_TPRU_TPC02022016.pdf.

⁴⁵⁹ Government hopeful on GST as PM Narendra Modi reaches out to opposition, The Economic Times (New Delhi) 17 February 2016. Access Date: 22 February 2016. <http://economictimes.indiatimes.com/news/politics-and-nation/government-hopeful-on-gst-as-pm-narendra-modi-reaches-out-to-opposition/articleshow/51016603.cms>.

⁴⁶⁰ Infra financing: UK, India to sign formal pact, The Hindu Business Line (New Delhi) 15 February 2016. Access Date: 22 February 2016. <http://www.thehindubusinessline.com/news/world/infra-financing-uk-india-to-sign-formal-pact/article8241340.ece>.

- Maintain a budget deficit of no more than 3 per cent of gross domestic product (GDP);
- Keep the debt to GDP ratio at a sustainable level;
- Refocus government programs to more productive sectors;⁴⁶¹

After the implementation of reforms for diesel and gasoline subsidies in early 2015, the government of Indonesia has begun considering what steps to take regarding its remaining subsidies, especially the subsidy program for liquefied petroleum gas.⁴⁶²

In order to increase tax revenue, President Joko Widodo is currently trying to convince lawmakers to pass a plan for tax amnesty, the fourth since independence.⁴⁶³ If approved, the amnesty plan could entice Indonesian tycoons to bring money stashed in other countries back to Indonesia, potentially bringing in IDR60 trillion (USD4.4 billion) in revenue for the government.⁴⁶⁴

Since the time of the Antalya summit, no new budget has been finalized for the government. However, due to the recent fall in oil prices, the government has had to revise its projections for state revenue from the oil and gas sector.⁴⁶⁵ The government's projection was US\$50 per barrel when the budget was made, and the revision will account for a price of US\$30 per barrel.⁴⁶⁶ This revision of the budget represents an improvement in state budget structure.

No actions have been taken to maintain a budget deficit of less than 3 per cent of GDP, which is the legal limit on a budget deficit due to a 2003 law.⁴⁶⁷ The 2015 budget deficit was the largest in 25 years, reaching 2.78 per cent.⁴⁶⁸

While debt-to-GDP ratio remains at 27 per cent, no specific actions have been taken to keep the ratio at this level.⁴⁶⁹

Indonesia has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Indonesia has taken action to cut subsidies and increase space for public investment, improve the functioning of the tax administration, and create a larger fiscal space through improvement in the state budget structure. No action has been taken to keep the debt to

⁴⁶¹ Adjusted Growth Strategy: Republic of Indonesia, G20 Turkey 2015 (Antalya). 16 November 2015. Access Date: 22 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Indonesia.pdf>.

⁴⁶² What's Big and Wasteful and... Increasingly Well-Targeted? Jakarta Dialogue on International Experiences with LPG Subsidy Reform. Global Subsidies Initiative, International Institute for Sustainable Development (United States). 8 February 2016. Access Date: 22 February 2016. <http://www.iisd.org/gsi/news/jakarta-lpg-dialogue>.

⁴⁶³ Jokowi's Push for 2016 Tax Amnesty Plan Kick-Off Seen as Flawed. Bloomberg Business (NYC). 3 January 2016. Access Date: 22 February 2016. <http://www.bloomberg.com/news/articles/2016-01-03/jokowi-seeks-2016-kick-off-for-tax-amnesty-plan-seen-as-flawed>.

⁴⁶⁴ Jokowi's Push for 2016 Tax Amnesty Plan Kick-Off Seen as Flawed. Bloomberg Business (NYC). 3 January 2016. Access Date: 22 February 2016. <http://www.bloomberg.com/news/articles/2016-01-03/jokowi-seeks-2016-kick-off-for-tax-amnesty-plan-seen-as-flawed>.

⁴⁶⁵ Govt to revise 2016 state budget because of falling oil prices. The Jakarta Post (Jakarta). 19 January 2016. Access Date: 22 February 2016. <http://www.thejakartapost.com/news/2016/01/19/govt-revise-2016-state-budget-because-falling-oil-prices.html>.

⁴⁶⁶ Govt to revise 2016 state budget because of falling oil prices. The Jakarta Post (Jakarta). 19 January 2016. Access Date: 22 February 2016. <http://www.thejakartapost.com/news/2016/01/19/govt-revise-2016-state-budget-because-falling-oil-prices.html>.

⁴⁶⁷ Rising Indonesian budget deficit puts Widodo in a tight spot. CNBC (Jakarta). 21 December 2015. Access Date: 22 February 2016. <http://www.cnbc.com/2015/12/21/reuters-america-rising-indonesian-budget-deficit-puts-widodo-in-a-tight-spot.html>.

⁴⁶⁸ Rising Indonesian budget deficit puts Widodo in a tight spot. CNBC (Jakarta). 21 December 2015. Access Date: 22 February 2016. <http://www.cnbc.com/2015/12/21/reuters-america-rising-indonesian-budget-deficit-puts-widodo-in-a-tight-spot.html>.

⁴⁶⁹ Indonesia's Debt to GDP Ratio Below Neighbouring Countries. Ministry of Finance, Government of Indonesia (Jakarta). 13 January 2016. Access Date: 22 February 2016. <http://www.kemenkeu.go.id/en/Berita/indonesia%E2%80%99s-debt-gdp-ratio-below-neighbouring-countries>.

GDP ratio on a sustainable path, keep the budget deficit at 3 per cent of GDP, or to refocus government programs to more productive structures.

Thus, Indonesia has received a score of 0.

Analyst: Qasim Sheikh

Italy: +1

Italy has fully complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Italy outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Structural reforms to improve the business environment;
- Changes to the tax code;
- Reform of the education system;
- Measures to boost investment and facilitate its financing;
- Growth and employment-friendly public finances;⁴⁷⁰

On 16 November 2015, the European Commission opined that the Italian Draft Budgetary plan for 2016 was at risk of non-compliance with the provisions of the Stability and Growth Pact.⁴⁷¹

On 23 December 2015, the Ministry of Economy and Finance published the public debt guidelines for 2016 in which they indicated that 2016 should be the first year with a reduction of the debt to GDP ratio.⁴⁷²

As of January 2016, the implementation of the Youth Guarantee has started in all EU countries. The Youth Guarantee is a new approach to tackling youth unemployment which ensures that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within 4 months of them leaving formal education or becoming unemployed. The good-quality offer should be for a job, apprenticeship, traineeship, or continued education and be adapted to each individual need and situation. The European Commission regularly assesses country progress and noted Italy's progress.⁴⁷³

On 1 January 2016, the Italian Stability Law of 2016 came into effect.⁴⁷⁴ This law aims to reduce the tax burden on workers, households, and businesses.⁴⁷⁵ This amounts to an overall tax relief of around EUR3.5 billion.⁴⁷⁶ The 2016 Stability Law also provides for a reduction in corporate income tax

⁴⁷⁰ Adjusted Growth Strategy: Italy, G20 Turkey 2015 (Antalya). 16 November 2015. Access Date: 26 February 2016
<http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Italy.pdf>.

⁴⁷¹ European Commission Opinion on the Draft Budgetary Plan of Italy, European Commission (Brussels) 16 November 2015. Access Date: 26 February 2016.

http://ec.europa.eu/economy_finance/economic_governance/sgp/pdf/dbp/2015/it_2015-11-16_co_en.pdf

⁴⁷² Guidelines for public debt management. Department of Treasury (Italy) 23 December 2016. Access Date: 26 February 2016.

http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_en/debito_pubblico/presentazioni_studi_relazioni/Guidelines_for_public_debt_management_2016.pdf.

⁴⁷³ Youth Guarantee, European Commission Access Date: 13 July 2016.

<http://ec.europa.eu/social/main.jsp?catId=1079&langId=en>

⁴⁷⁴ Italian Stability Law of 2016. Ministry of Finance (Italy) 08 January 2016. Access Date: 26 February 2016.

http://www.mef.gov.it/focus/article_0014.html.

⁴⁷⁵ Adjusted Growth Strategy: Italy, G20 Turkey 2015 (Antalya). 16 November 2015. Access Date: 26 February 2016.

<http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Italy.pdf>.

⁴⁷⁶ Italian Stability Law of 2016. Ministry of Finance (Italy) 08 January 2016. Access Date: 26 February 2016.

http://www.mef.gov.it/focus/article_0014.html.

starting in 2017. However, the reduction in property taxation does not follow the recommendation by the European Commission for a more efficient tax structure by shifting taxation onto property and away from factors of production.⁴⁷⁷ Taking this law into account, Italy's deficit is projected to slightly decrease to 2.5 per cent of GDP and the government debt-to-GDP ratio is projected to decrease to 132.4 per cent in 2016 and 130.6 per cent in 2017.⁴⁷⁸

On 21 January 2016, the Italian Cabinet approved the "Reorganization, rationalization and simplification of Port Authorities" decree, which reviews a system which has been in place for over 20 years. The Ports Decree is part of the re-launch of ports and logistics in Italy promoted by the Ministry for Infrastructure and Transport. The Ports Decree focuses on the competitiveness of ports and supports the role of Italy as a hub in the Mediterranean and European logistics platform.⁴⁷⁹

On 28 January 2016, Italy passed new legislation aimed at increasing administrative cooperation for the mutual recognition of academic degrees at the European Union level. The new legislation deals with the recognition of professional degrees already acquired in another EU country that allow the person to practice his profession in his country of origin, with the purpose of allowing access to a regulated profession in Italy. It also establishes the criteria for the recognition of professional internships carried out by Italian citizens in another EU country.⁴⁸⁰

On 18 February 2016, the Organisation for Economic Cooperation and Development forecast that Italian GDP would rise by 1 per cent in 2016, revising its November estimate of 1.4 per cent.⁴⁸¹

Italy has made significant progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.

Thus, Italy has received a score of +1.

Analyst: Daniel Valls

Japan: 0

Japan has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Japan outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Further fiscal consolidation, aiming to halve the primary ratio of deficit to gross domestic product from the 2010 value;
- Corporate governance reform, aiming to reduce Japan's effective corporate tax rate;
- Promotion of business ventures with particular consideration to strengthening the base revenue of Small and Medium-sized Enterprises (SMEs);
- Increase of economic participation by women, the elderly, and foreigners.⁴⁸²

⁴⁷⁷ European Commission 2016 Country Report for Italy, European Commission (Brussels) 26 February 2016. Access Date: 26 February 2016. http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf.

⁴⁷⁸ European Commission 2016 Country Report for Italy, European Commission (Brussels) 26 February 2016. Access Date: 26 February 2016. http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf.

⁴⁷⁹ Italian Port reform. Reorganization, rationalization and simplification of port authorities and additional projects for the renewal of ports and logistics in Italy, GOP 2016. Access Date: 7 July 2016 http://www.gop.it/doc_pubblicazioni/530_3rzbn8azeb_eng.pdf

⁴⁸⁰ Italy: Decree to Implement European Legislation on Cooperation for Recognition of Professional Degrees, Library of Congress 15 March 2016. Access Date: 7 July 2016. <http://www.loc.gov/law/foreign-news/article/italy-decree-to-implement-european-legislation-on-cooperation-for-recognition-of-professional-degrees/>

⁴⁸¹ OECD Interim Economic Outlook, OECD, 18 February 2016. Access Date: 25 February 2016. <https://www.oecd.org/eco/outlook/OECD-Interim-Economic-Outlook-February-2016.pdf>.

On 24 December 2015, Japan approved a record-high JPY96.72 trillion budget for the 2016 fiscal year. The budget focuses on more robust spending on welfare, tourism, defense, and social security, and the increased servicing of debt. Moreover, in line with its commitment to bring about fiscal consolidation, the effective increase in this budget from last year will be capped at JPY530 billion.⁴⁸³

On 16 December 2015, Japan released its 2016 Tax Reform Outline, which includes a reduction in the corporate tax rate. The national corporate tax rate will, on 1 April 2016, be reduced to 23.4 per cent from 23.9 per cent. Moreover, the local enterprise tax rate will be nearly halved, dropping from 6.0 per cent to 3.6 per cent.⁴⁸⁴

On 22 February 2016, the Small and Medium Enterprise Agency of Japan started its strengthened program of support for SMEs and micro businesses.⁴⁸⁵ This program entails loans with lower interest rates to certain job-creating initiatives; an expansion of funds for supporting social businesses, restructuring overseas business expansion, strengthening dynamism of enterprises; and an increase of support for micro businesses.⁴⁸⁶

Japan has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Japan has made strides towards fiscal consolidation, corporate tax reform, and the promotion of business ventures, but it has not yet made tangible policy decisions regarding the further inclusion of women, the elderly, and foreigners in the economy.

Thus, Japan has received a score of 0.

Analyst: Michael Switzer

Korea: 0

Korea has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Korea outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Continue expansionary macroeconomic policies: the stimulus package worth KRW 46 trillion in 2014 and the additional fiscal spending worth KRW 22 trillion including the supplementary budget of KRW 12 trillion in 2015;
- Implement the roadmap to achieve 70 per cent employment rate, with a focus on youth employment;
- Revitalize investment including infrastructure investment;
- Implement a comprehensive structural reform package in four sectors of public, finance, labor and education;
- Continue to reform the regulatory system (“one in, one out” regulation regime, sunset clause, and negative list approach etc.);

⁴⁸²Comprehensive Growth Strategy: Japan, G20 Turkey 2015 (Antalya) November 2015. Access Date: 26 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Japan.pdf>.

⁴⁸³Cabinet approves record ¥96.7 trillion budget for fiscal 2016, The Japan Times (Tokyo) 24 December 2015. Access Date: 27 February 2016. <http://www.japantimes.co.jp/news/2015/12/24/national/politics-diplomacy/japans-cabinet-oks-record-%C2%A596-7-trillion-fiscal-2016-budget-focused-welfare-fiscal-health/#.VtMvBpwrLIV>.

⁴⁸⁴Japan releases 2016 tax reform outline, Ernst & Young (London) 16 December 2015. Access Date: 27 February 2016. <http://www.ey.com/GL/en/Services/Tax/International-Tax/Alert--Japan-releases-2016-tax-reform-outline>.

⁴⁸⁵SMEA Strengthens Financial Support for SMEs and Micro Businesses, Ministry of Economy, Trade and Industry (Tokyo) 26 February 2015. Access Date: 27 February 2016. http://www.meti.go.jp/english/press/2016/0222_01.html.

⁴⁸⁶SMEA Strengthens Financial Support for SMEs and Micro Businesses, Ministry of Economy, Trade and Industry (Tokyo) 26 February 2015. Access Date: 27 February 2016. http://www.meti.go.jp/english/press/2016/0222_01.html.

- Develop three tax schemes to increase household incomes.⁴⁸⁷

On 6 December 2015, the Korean government announced that the peak wage system will be fully adopted in the public sector next year.⁴⁸⁸ The peak wage system guarantees retirement at the age of 60 with 3-5 years of adjusted wages before retirement, while at the same time ensuring that young adults are hired as new employees with labour cost savings.⁴⁸⁹ The adoption of the new wage system is projected to create as many as 4,441 new jobs in 2016, making the total number of new employees in public institutions more than 18,000, a 4.5 per cent increase compared with 2015 and the largest in the past three years.⁴⁹⁰

On 16 December 2015, the Economic Policy Bureau released a “2016 Policies Focus on Maintaining Recovery Momentum and Strengthening Growth Potential.” The plan’s stated goals include adopting expansionary macroeconomic policies to support recovery momentum. The government will adopt the fiscal policy of increasing budget frontloading by KRW8 trillion in the first quarter to KRW125 trillion and increasing public institutions’ investment in private sector projects by KRW6 trillion. The plan also detailed structural reform strategies in four sectors: the public sector, financial industry, labor market, and education system.⁴⁹¹

On 19 November 2015 at the 22nd Ministerial Meeting the Korean government announced that it would begin work on building a highway between Seoul and Sejong, which will be a large project worth KRW6.7 trillion. The new PPP model of BTO-a[1] will be applied to the highway construction project, and about KRW 840 billion worth of transportation costs are expected to be saved while a total of 66,000 jobs will be created.⁴⁹²

On 3 February 2016 the second ministerial meeting on the economy, Deputy Prime Minister Yoo Il Ho announced that the government will increase the first quarter fiscal spending by KRW6 trillion from the original plan, which will make the first quarter spending increased by KRW14 trillion year on year.⁴⁹³ The measures also include KRW15.5 trillion in lending by policy banks during the first quarter.⁴⁹⁴ The finance ministry said that individual consumption taxes on passenger cars would also be cut to 3.5 per cent from 5 per cent, effective until the end of June.⁴⁹⁵ The government estimates the latest measures would lift economic growth for the January-March period by 0.2 per centage points on a quarter-on-quarter basis.

⁴⁸⁷ Comprehensive Growth Strategy: Korea, G20 Brisbane Summit Australia (Brisbane), 15 November 2014. Access Date: 3 March 2015. http://www.g20australia.org/official_resources/current_presidency/growth_strategies.

⁴⁸⁸ Press Center: Peak Wage System to Be Fully Adopted in the Public Sector (Seoul) 6 December 2015. Access Date: 27 February 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3978&bPage=1>

⁴⁸⁹ Press Center: Peak Wage System to Be Fully Adopted in the Public Sector, Ministry of Finance (Seoul) 6 December 2015. Access Date: 27 February 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3978&bPage=1>

⁴⁹⁰ Press Center: Peak Wage System to Be Fully Adopted in the Public Sector, Ministry of Finance (Seoul) 6 December 2015. Access Date: 27 February 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3978&bPage=1>

⁴⁹¹ Press Center: 2016 Policies Focus on Maintaining Recovery Momentum and Strengthening Growth Potential, Ministry of Strategy and Finance (Seoul) 16 December 2015. Access Date: 27 February 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3984&bPage=2>.

⁴⁹² Press Center: Government to Work on Seoul-Sejong Highway Construction, Ministry of Strategies and Finance (Seoul) 19 November 2015. Access Date: 27 February 2016. <http://english.mosf.go.kr/eco/view.do?bcd=E0001&vbcd=N0001&seq=3967&bPage=1>.

⁴⁹³ Press Center: Government to Increase Spending in Q1, Ministry of Finance (Seoul) 3 February 2016. Access Date: 29 February 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4017&bPage=1>.

⁴⁹⁴ South Korea unveils stimulus measures to support faltering growth, Channel News Asia (Beijing) 3 February 2016. Access Date: 27 February 2016. <http://www.channelnewsasia.com/news/business/south-korea-unveils/2483296.html>.

⁴⁹⁵ South Korea unveils stimulus measures to support faltering growth, Channel News Asia (Beijing) 3 February 2016. Access Date: 27 February 2016. <http://www.channelnewsasia.com/news/business/south-korea-unveils/2483296.html>.

On 17 February 2016, the government unveiled the new round of measures to boost the private sector investment following the 9th Presidential Meeting to Promote Trade and Investment.⁴⁹⁶ Measures include efforts to restart suspended projects, to grow promising service markets, to enhance farming sector competitiveness, and to attract investment in the Seamangeum area.⁴⁹⁷

Korea has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Korea has implemented measures to grow its gross domestic product, invest in infrastructure and reduce unemployment, but it has not yet addressed its tax schemes or its regulatory system commitments.

Thus, Korea has received a score of 0.

Analyst: Jiayang Shan

Mexico: 0

Mexico has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Mexico outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Continue implementing the Energy Reform Plan;
- Continue implementing the Competition (Anti-trust) Reform Plan;
- Execute the National Infrastructure Program 2014-2018;
- Strengthen the role of National Development Banks on Infrastructure and SME (small and medium-sized enterprises) financing;
- Foster investment in infrastructure through the Financial Reform Infrastructure Fund;
- Responsible public finances to strengthen macroeconomic stability;⁴⁹⁸

On 24 December 2015, the Energy Transition Law was passed, which abrogated the Renewables Energies Law and the Law for the Sustainable use of Energies. These were two renewable energy market regulatory schemes.⁴⁹⁹

On 15 December 2015, Mexico's oil regulator awarded the rights to new developments at an auction, in keeping with measures in the Energy Reform.⁵⁰⁰

On 4 February 2016, Mexico signed the Trans-Pacific Partnership Agreement.⁵⁰¹

On 22 February 2016, the Mexican President's office confirmed that from 1 April 2016, Mexico's Energy Reforms allowing any company to import gasoline and diesel will be implemented in order to obtain better prices on fuel.⁵⁰²

⁴⁹⁶ Press Center: Government Unveils New Round of Investment Boosting Measures, Ministry of Strategy and Finance (Seoul) 17 February 2016. Access Date: 27 February 2016.

<http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4024&bPage=1>.

⁴⁹⁷ Press Center: Government Unveils New Round of Investment Boosting Measures, Ministry of Strategy and Finance (Seoul) 17 February 2016. Access Date: 27 February 2016.

<http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4024&bPage=1>.

⁴⁹⁸ "Adjusted Growth Strategy: Mexico" G20 Turkey 2015 (Antalya) November 2015. Access Date: February 26 2016.

<http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Mexico.pdf>

⁴⁹⁹ "Mexico's New Energy Transition Law" Baker & McKenzie (Mexico) December 2015. Access Date: February 27 2016.

<http://bakerxchange.com/cv/f0fe0a889e5be6dda7156526b089bdea4cf611ba/p=1867412>

⁵⁰⁰ "Mexico's oil regulator awards first onshore contract at auction" Reuters (Mexico) December 2015. Access Date: February 27 2016. <http://www.reuters.com/article/mexico-oil-idUSL1N1441CA20151215>

⁵⁰¹ "Mexico signed the Trans-Pacific Partnership Agreement (TPP)" Gob.mx (Mexico) February 2016. Access Date: February 27, 2016. <http://www.gob.mx/se/prensa/mexico-signed-the-trans-pacific-partnership-agreement-tp>

Mexico has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Mexico continues to implement changes in line with its Energy Reform, but it has not taken steps towards responsible public finances.

Thus, Mexico has received a score of 0.

Analyst: Emile Lavergne

Russia: 0

Russia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Russia outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Increase the efficiency of public investment through public reporting and auditing;
- Implement large scale public investment projects partially financed by the sovereign wealth funds;
- Support small and medium-sized enterprises through tax relief of newly created enterprises;
- Enhance customs administration, exports, and access to foreign markets;⁵⁰³

In a tax update published in December of 2015, professional services provider Deloitte Touche Tohmatsu Ltd asserted that Russia's latest tax reforms, set to enter into force on the 1st of January, 2016, made steps towards improving the attractiveness of investing in Russia and reducing the prevalence of profit shifting and tax evasion.⁵⁰⁴ Moreover, it reported that "the Russian Government has proposed a law offering 10 per cent profits tax rates for newly established Russian industrial enterprises."⁵⁰⁵

On 9 December 2015, the Russian Direct Investment Fund partnered with Middle Eastern Sovereign Wealth Funds in order to invest in an integrated petrochemical complex in Russia's Tyumen Region. The total for this investment amounts to USD 9.5 billion.⁵⁰⁶

On 17 December 2015, the Russian Direct Investment Fund, Renaissance Capital, Onexim Group, and the CITIC, China's leading financial conglomerate, established a partnership in order to cooperate on high-opportunity projects in Russia, the Middle East, and Africa.⁵⁰⁷

On 11 January 2016, the Russia-China Investment Fund acquired 23.1 per cent of Russian company Detsky Mir, a transaction considered to be worth RUB9.75 billion, in order to facilitate its continued expansion.⁵⁰⁸ Kirill Dmitriev, the chief executive officer of the Russian Development Fund and co-

⁵⁰² "Reforma Energetica: Tres Anuncios ey frases por venir" Gob.mx (Mexico) February 2016. Access Date: February 27, 2016. <http://www.gob.mx/presidencia/articulos/reforma-energetica-tres-anuncios-y-fases-por-venir>

⁵⁰³ Comprehensive Growth Strategy: Russia, G20 Turkey 2015 (Antalya) November 2015. Access Date: 26 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Russia.pdf>.

⁵⁰⁴ Tax update 2016 Key changes and trends, Deloitte (New York) December 2015. Access Date: 26 February 2016. <http://www2.deloitte.com/content/dam/Deloitte/ru/Documents/tax/tax-predictions-2016-en-print.pdf>.

⁵⁰⁵ Tax update 2016 Key changes and trends, Deloitte (New York) December 2015. Access Date: 26 February 2016. <http://www2.deloitte.com/content/dam/Deloitte/ru/Documents/tax/tax-predictions-2016-en-print.pdf>.

⁵⁰⁶ RDIF AND INTERNATIONAL FUNDS INVEST IN SIBUR'S ZAPSIBNEFTEKHIM PROJECT, Sibur (Moscow) 9 December 2015. Access Date: 26 February 2016. http://investors.sibur.com/investor-news/2015/dec/09122015.aspx?sc_lang=en.

⁵⁰⁷ RUSSIAN DIRECT INVESTMENT FUND, CITIC MERCHANT, RENAISSANCE CAPITAL AND ONEXIM GROUP CREATE STRATEGIC PARTNERSHIP WITHIN THE FRAMEWORK OF RUSSIA-CHINA INVESTMENT BANK, Russian Direct Investment Fund (Moscow) 17 December 2016. Access Date: 26 February 2016. http://www.rdif.ru/Eng_fullNews/1582/.

⁵⁰⁸ RUSSIA-CHINA INVESTMENT FUND ACQUIRED 23.1% OF JSC DETSKY MIR, Russian Direct Investment Fund (Moscow) 11 January 2016. Access Date: 26 February 2016. http://www.rdif.ru/Eng_fullNews/1595/.

CEO of the Russia-China Investment Fund, asserted that “the deal is in line with our investment strategy focused on growth of the middle class and its demand for goods, especially in the regions.”⁵⁰⁹

On 19 January 2016, Russia’s Economic Development Ministry announced that it expects that the volume of small and medium-sized enterprises (SMEs) in Russia will double by 2030, and that it has created a roadmap for the next two years in order to ensure that such an increase will be realized.⁵¹⁰

On 3 February 2016, Russia announced that it will work with Egyptian banks to create a joint investment platform in order to support Russian companies that enter Egyptian markets and finance Russian-Egyptian projects in Egypt.⁵¹¹

Russia has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. While Russia has demonstrated progress on measures to enhance the scale and efficiency of investments, the growth of SMEs, exports, and access to foreign markets, Russia has not implemented substantial reform on customs administration.

Thus, Russia has received a score of 0.

Analyst: Michael Switzer

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

Saudi Arabia outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Create an expansionary budget to counter declining oil prices and promote medium-term growth prospects;
- Implement a training and vocational program for labourers;
- Promote measures to boost female labour participation, including after-family related break;
- Implement regional customs agreements with neighbouring Gulf States;
- Increase funding for small and medium sized enterprises (SMEs).⁵¹²

On 28 December 2015, the Kingdom of Saudi Arabia announced the budget for 2016. The budget increased spending by 13 per cent over last year, and is expected to reach SR975 billion. In addition to this, oil subsidies in the country have been cut, and non-oil revenues have increased by 29 per cent compared to the 2014 numbers. In addition to these measures, the budget established a support provision of SR183 billion to increase flexibility amidst falling oil prices.⁵¹³

⁵⁰⁹ RUSSIA-CHINA INVESTMENT FUND ACQUIRED 23.1% OF JSC DETSKY MIR, Russian Direct Investment Fund (Moscow) 11 January 2016. Access Date: 26 February 2016. http://www.rdif.ru/Eng_fullNews/1595/.

⁵¹⁰ Russia plans to double share of SMEs in GDP structure by 2030 — ministry, TASS (Moscow) 19 January 2016. Access Date: 26 February 2016. <http://tass.ru/en/economy/850531>.

⁵¹¹ RDIF, EGYPTIAN BANKS TO LOOK FOR INVESTMENT PROJECTS IN EGYPT, Russian Direct Investment Fund (Moscow) 3 February 2016. Access Date: 26 February 2016. http://www.rdif.ru/Eng_fullNews/1636/.

⁵¹² “Antalya Action Plan,” G20 Antalya Cycle Report (Ankara), Access Date: February 20, 2016. <http://www.oecd.org/g20/summits/antalya/Antalya-Action-Plan.pdf>.

⁵¹³ “Press Release: Recent Economic Developments and Highlights of Fiscal years 1436/1437 & 1437/1438,” Kingdom of Saudi Arabia Ministry of Finance (Riyadh), Access Date: February 20, 2016.

<https://www.mof.gov.sa/English/DownloadsCenter/Budget/Ministry's%20of%20Finance%20statment%20about%20the%20national%20budget%20for%202016.pdf>.

In February, the Ministry of Labour brought forth an educational speaker series entitled, “Towards an attractive work environment for women,” while days later releasing a resolution to improve the participation rate of female labourers in factories and the vocations.⁵¹⁴

Saudi Arabia has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Saudi Arabia has made an effort towards three of the five pillars of its Individual Comprehensive Growth Strategy, but there is no evidence of efforts to foster localized trade agreements, or increase investments into SMEs within the country.

Thus, Saudi Arabia has received a score of 0.

Analyst: Kyle Van Hooren

South Africa: +1

South Africa has fully complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

South Africa outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Fast tracking infrastructure development plan;
- Streamlining a national regulatory regime;
- Employment tax incentives;
- Facilitate international growth of South African firms;
- Improve the overall investment atmosphere in the country.⁵¹⁵

On 16 February 2016, the South African Deputy President announced that the government was “fast-tracking the implementation of the Invest South Africa initiative, which is a one-stop investment shop to assist investors in meeting all the necessary legislative and regulatory requirements,” in the country.⁵¹⁶

On 24 February 2016, the Government of South Africa released its proposed 2016 budget. In the detailed budget, infrastructure spending is up 6 per cent over the previous year. This includes heavy increases to the energy, transportation, and telecommunication sectors. Spending on energy increased by ZAR1.8 billion from last year.⁵¹⁷

In addition, the budget alters the tax scheme of the country, creating tax breaks for small and medium enterprises (SMEs) through their “small business desk” program. This program increases the number of businesses that qualify for grants and increases the number that are tax exempt. Furthermore, it provides ZAR772.7 million in incentives for services in mining, manufacturing and agro services.⁵¹⁸

⁵¹⁴ “Starting Educational Lectures about women’s work in the private sector environment in three regions,” Ministry of Labour (Riyadh), Access Date: February 25, 2016. http://portal.mol.gov.sa/ar/News/Pages/page_189.aspx; “Action Plan on Conditions for the Employment of Women in Factories,” Ministry of Labour (Riyadh), Access Date: February 25, 2016. http://portal.mol.gov.sa/ar/News/Pages/page_191.aspx.

⁵¹⁵ Adjusted Growth Strategy: South Africa, G20 Report Antalya (Antalya) Access Date: February 25, 2015. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-South-Africa.pdf>

⁵¹⁶ Statement by the deputy president to Deputy President Cyril Ramaphosa, Access Date: February 25, 2016. <http://www.timeslive.co.za/local/2016/02/16/Government-trying-to-improve-ease-of-doing-business-in-SA>

⁵¹⁷ Estimate of National Expenditure, 2016, Government of South Africa (Cape Town). Access Date: February 25, 2016. <http://www.treasury.gov.za/documents/national%20budget/2016/ene/FullENE.pdf>.

⁵¹⁸ Estimate of National Expenditure, 2016, Government of South Africa. Access Date: February 25, 2016. <http://www.treasury.gov.za/documents/national%20budget/2016/ene/FullENE.pdf>.

South Africa has implemented all fiscal policy measures stated within its comprehensive growth strategy. South Africa has made significant efforts to implement accelerated spending on infrastructure to spur business growth, tax incentives for SMEs, and streamlining the bureaucracy for both national and international businesses within the country.

Thus, South Africa has received a score of +1.

Analyst: Kyle Van Hooren

Turkey: 0

Turkey has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

Turkey outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Increase the ratio of general research and development expenditures to GDP to 1.80 per cent by 2018 from 0.95 per cent in 2013, and the share of small and medium-sized enterprises (SMEs) in research and development expenditures to 20 per cent in the same period from 18 per cent;
- Raise employment through updated curricula for vocational schools, improving active labour market programs, developing for target groups and introducing conditionality for social benefits;
- Increase the employment of women through creating a balance between work and family, introducing incentives and promoting entrepreneurship;
- Increase competition by reviewing the legislation and other issues, which prevents business environment to improve;
- Boost trade with implementation of the World Trade Organization's Trade Facilitation Agreement.⁵¹⁹

On 10 December 2015, Prime Minister Ahmet Davutoglu announced a sweeping economic structural reform agenda to be completed within a year.⁵²⁰ Its two objectives are reaching a high income level with strong and sustainable growth and “inclusive growth” which will enable all parts of the society to benefit from the strong and sustainable growth.

The reforms range from improving education quality to increasing female labour participation to encouraging entrepreneurship. Highlights of the agenda include financial incentives for young people to attend university, as well as starting their own businesses — young entrepreneurs would be exempt from paying income taxes for the first three years of starting their own enterprises. Further, the government said it would strengthen research and development incentives, including establishing a fund for early stage research and development and design efforts.⁵²¹ The latter takes a step towards achieving the first goal of increasing research and development expenditure to GDP ratio.

⁵¹⁹ 2015 G20 Adjusted Growth Strategy: Turkey, G20 Antalya November 2015. Access date: 23 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Turkey.pdf>.

⁵²⁰ 2016 Economic Reform Agenda, Republic of Turkey Undersecretariat of Treasury 6 January 2016. Access date: 24 February 2016. http://www.treasury.gov.tr/File/?path=ROOT%2f1%2fDocuments%2fPages%2f20160106_Economic+Reform+Agenda.pdf.

⁵²¹ 2016 Economic Reform Agenda, Republic of Turkey Undersecretariat of Treasury 6 January 2016. Access date: 24 February 2016. http://www.treasury.gov.tr/File/?path=ROOT%2f1%2fDocuments%2fPages%2f20160106_Economic+Reform+Agenda.pdf.

On 14 December 2015, negotiations resumed on Turkey's accession to the European Union, specifically discussing Chapter 17 — economic and monetary policy.⁵²² The talks cover specific rules guaranteeing the independence of central banks, and are intended to lead to Turkey's GDP per capita convergence with the EU, as well as eventually adopting the euro.

On 11 January 2016, the government released Turkey's 2016 to 2018 medium-term economic program, encompassing the structural reforms outlined above. Deputy Prime Minister Mehmet Şimşek, during this announcement, said the government aims to reduce the rate of inflation to 5 to 7 per cent over the next three years, from 8.1 per cent in 2015.⁵²³

Turkey has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.

Thus, Turkey has received a score of 0.

Analyst: Trinh Theresa Do

United Kingdom: 0

The United Kingdom has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

The United Kingdom outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Deficit reduction;
- Completion of the financial system reform;
- Creation of a comprehensive package of structural reforms;
- Support for public infrastructure investments;
- Boost support to help get young people and the long term unemployed people into work;
- Increase female labour participation;
- Create a stable housing market;
- Improve competition through reduction of administrative and regulatory burdens.⁵²⁴

On 25 November 2015, the HM Treasury released the Spending Review and Autumn Statement 2015 where it announced the creation of a EUR400 million Northern Powerhouse investment fund to help the growth of small businesses.⁵²⁵ This fund will support businesses in the North that focus on investment, science, and arts.⁵²⁶

On 25 November 2015, in the same Spending Review and Autumn Statement Chancellor of the Exchequer George Osborne announced that the government will borrow EUR8 million less than

⁵²² EU-Turkey Intergovernmental Conference – Jean Asselborn announces the opening of Chapter 17 on economic and monetary policy, Presidency of the Council of the European Union (Brussels) 14 December 2015. Access date: 24 February 2016. <http://www.eu2015lu.eu/en/actualites/articles-actualite/2015/12/14-cig-ue-turquie/index.html>.

⁵²³ Deputy PM Şimşek reveals Turkey's 2016-2108 medium-term economic program, Daily Sabah (Istanbul) 11 January 2016. Access date: 23 February 2016. <http://www.dailysabah.com/economy/2016/01/11/deputy-pm-simsek-reveals-turkeys-2016-2108-medium-term-economic-program>.

⁵²⁴ Adjusted Growth Strategy: United Kingdom, G20 Turkey (Antalya) October 2015. Access Date: 18 February 2015. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-United-Kingdom.pdf>.

⁵²⁵ Spending Review and Autumn Statement 2015: key announcements, HM Treasury (London) 25 November 2015. Access Date: 21 February 2016. <https://www.gov.uk/government/news/spending-review-and-autumn-statement-2015-key-announcements>

⁵²⁶ Spending Review and Autumn Statement 2015: key announcements, HM Treasury (London) 25 November 2015. Access Date: 21 February 2016. <https://www.gov.uk/government/news/spending-review-and-autumn-statement-2015-key-announcements>

anticipated “making faster progress towards eliminating the deficit and paying down debt.”⁵²⁷ He also announced that not only will the deficit be eliminated in four years, the government will also have created a EUR10 billion surplus by 2019-2020.⁵²⁸

On 3 December 2015, the Secretary of State for Transport Patrick McLoughlin addressed the need to improve Wales’ transport system in a speech at City Hall.⁵²⁹ He announced a commitment to invest EUR70 billion to “transform travel in Wales and the UK.”⁵³⁰ He also reiterated the government’s announcement from 30 November 2015 to build the H2S line six years early to speed up travel time from Crewe to London to 55 minutes from today’s 90 minutes by 2027.⁵³¹

On 17 December 2015, Chancellor of the Exchequer George Osborne launched a consultation on the powers the Bank of England should have on the UK’s housing market. He stated that this is “the next step in ensuring that the Financial Policy Committee has the tools it needs to protect our economy.”⁵³²

On 22 January 2016, Transport Minister of State Robert Goodwill announced the EUR371 million sale of its investment in the King’s Cross to reduce deficit.⁵³³

On 28 January 2016, the Department of Transport introduced a new transport skills strategy to create 30,000 apprenticeships in the road and rail sector by 2020. Through this strategy, the government will stretch its target to attract more females to engineering and technical apprenticeships in the transport sector.⁵³⁴

On 10 February 2016, Home Secretary Theresa May addressed the issue of fraud in the UK financial system and announced the Joint Fraud Taskforce, a new taskforce consisting of “key representatives from government, law enforcement and the banking sector” to tackle this issue.⁵³⁵

On 19 February 2016, the government published the HM Treasury single departmental plan, 2015 to 2020 where it outlined key policies to “place public finances on a sustainable footing,” “ensure the stability of the macro-economic environment and financial system, enabling strong, sustainable and balanced growth,” and to “increase employment and productivity, and ensure strong growth and competitiveness across all regions of the UK through a comprehensive package of structural

⁵²⁷ Chancellor George Osborne’s Spending Review and Autumn Statement 2015 speech, HM Treasury (London) 25 November 2015. Access Date: 22 February 2016. <https://www.gov.uk/government/speeches/chancellor-george-osbornes-spending-review-and-autumn-statement-2015-speech>.

⁵²⁸ HM Treasury single departmental plan, 2015 to 2020, HM Treasury (London) 19 February 2016. Access Date: 23 February 2016. <https://www.gov.uk/government/publications/hm-treasury-single-departmental-plan-2015-to-2020/hm-treasury-single-departmental-plan-2015-to-2020#place-the-public-finances-on-a-sustainable-footing>.

⁵²⁹ Investing in Welsh transport, Department for Transport (London) 3 December 2015. Access Date: 20 February 2016. <https://www.gov.uk/government/speeches/investing-in-welsh-transport>.

⁵³⁰ Investing in Welsh transport, Department for Transport (London) 3 December 2015. Access Date: 20 February 2016. <https://www.gov.uk/government/speeches/investing-in-welsh-transport>.

⁵³¹ Investing in Welsh transport, Department for Transport (London) 3 December 2015. Access Date: 20 February 2016. <https://www.gov.uk/government/speeches/investing-in-welsh-transport>.

⁵³² Government launches consultation on further housing market powers for the Bank of England, HM Treasury (London) 17 December 2015. Access Date: 24 February 2016. <https://www.gov.uk/government/news/government-launches-consultation-on-further-housing-market-powers-for-the-bank-of-england>

⁵³³ Government sells King’s Cross development stake to reduce the deficit, Department for Transport and HM Treasury (London) 22 January 2016. Access Date: 20 February 2016. <https://www.gov.uk/government/news/government-sells-kings-cross-development-stake-to-reduce-the-deficit>.

⁵³⁴ Record investment in transport network used to guarantee apprenticeships, Department for Transport (London) 28 January 2016. Access Date: 20 February 2016. <https://www.gov.uk/government/news/record-investment-in-transport-network-used-to-guarantee-apprenticeships>.

⁵³⁵ Home Secretary launches new joint fraud taskforce, Home Office (London) 10 February 2016. Access Date: 23 February 2016. <https://www.gov.uk/government/news/home-secretary-launches-new-joint-fraud-taskforce>.

reforms.”⁵³⁶ Key policies included, but were not limited to, saving EUR5 billion a year by 2019-2020 by cracking down on tax evasion, capping overall welfare spending, using tactics such as financial sanctions, anti-money laundering, counter-terrorism, and proliferation financial measures to ensure the stability of the UK financial system, and to ensure the competitiveness of the UK’s tax system by cutting corporation tax to 19 per cent by 2017 and to 18 per cent by 2020.⁵³⁷

The UK has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. Although the UK has implemented several fiscal strategies to reduce deficit and support growth and employment, it has yet to complete the financial system reform and create a comprehensive package of structural reforms.

Thus, the United Kingdom has received a score of 0.

Analyst: Doris Li

United States: 0

The United States has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product on a sustainable path.

The United States outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Reauthorize surface transportation funding at USD478 billion over six years;
- Protect families by requiring retirement advisers to abide by a “fiduciary” standard;
- Make two years of community college free for responsible students;
- Update the regulations regarding who qualifies for overtime protection;
- Expand the child care tax credit, introducing a second earner tax credit, and simplifying and expand education tax benefits;
- Raise the federal minimum wage to USD12 an hour by 2020.⁵³⁸

On 4 December 2015, President Obama signed the Fixing America’s Surface Transportation (FAST) Act, a day after it was approved by Congress.⁵³⁹ This act allocates USD305 billion for transit and highway spending through 2020, a total of five years.⁵⁴⁰ Because this is far less than the USD478 billion over six years that was the stated goal (USD61 billion per year vs. USD95.6 billion per year), the United States failed to comply with this part of the commitment.

On 29 January 2016, The United States Department of Labor submitted their proposed final rule regarding requiring retirement advisers to abide by a “fiduciary standard” to the White House’s Office of Management and Budget, one of the key steps in the process to legislating such a

⁵³⁶ Record investment in transport network used to guarantee apprenticeships, Department for Transport (London) 28 January 2016. Access Date: 20 February 2016. <https://www.gov.uk/government/news/record-investment-in-transport-network-used-to-guarantee-apprenticeships>.

⁵³⁷ Record investment in transport network used to guarantee apprenticeships, Department for Transport (London) 28 January 2016. Access Date: 20 February 2016. <https://www.gov.uk/government/news/record-investment-in-transport-network-used-to-guarantee-apprenticeships>.

⁵³⁸ Adjusted Growth Strategy: United States. G20 Turkey (Antalya). 16 November 2015. Access Date: 23 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-United-States.pdf>.

⁵³⁹ Obama signs \$305B highway bill. The Hill (Washington DC). 4 December 2015. Access Date: 23 February 2016. <http://thehill.com/policy/finance/262171-obama-signs-305b-highway-bill>.

⁵⁴⁰ Obama signs \$305B highway bill. The Hill (Washington DC). 4 December 2015. Access Date: 23 February 2016. <http://thehill.com/policy/finance/262171-obama-signs-305b-highway-bill>.

standard.⁵⁴¹ With this standard, advisors would be required to put clients' interests first in the case of a conflict of interest, the same standard which fiduciaries are subject to.⁵⁴²

On 9 February 2016, the White House's Office of the Press Secretary released a fact sheet on President Obama's fiscal year 2017 budget.⁵⁴³ Under this budget, the America's College Promise Act would be funded, letting certain students go to two-year community colleges or do two years of a bachelor-s degree program free of charge.⁵⁴⁴

The US has taken action to require retirement advisers to abide by a "fiduciary standard" as well as action to fund two years of free community college for qualifying students. However, it has not taken action to authorize USD478 billion in transport payments over 6 years, raise the federal minimum wage to USD12 per hour by 2020, expand the child care tax credit, introduce a second earner tax credit, simplify and expand education tax benefits, or updating the regulations regarding who qualifies for overtime protection. The US has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.

Thus, the United States has received a score of 0.

Analyst: Qasim Sheikh

European Union: 0

The European Union has partially complied with its commitment to continue to implement fiscal strategies flexibly, taking into account near-term economic conditions, while putting debt as a share of gross domestic product (GDP) on a sustainable path.

The European Union outlined the following fiscal strategies in its adjusted comprehensive growth strategy:

- Ensure sustainable public debt by maintaining broadly neutral fiscal stance in 2015/2016 for EU/euro area;
- Strengthen the link between structural reforms, investment and fiscal responsibility in support of jobs and growth;
- Improve the composition of public finances to foster growth;
- Tackle corporate tax avoidance and harmful tax competition in the EU⁵⁴⁵

On 24 November 2015, the European Commission proposed a euro-area wide insurance scheme for bank deposits and has set out further measures to reduce remaining risks in the banking sector in parallel.⁵⁴⁶ The Commission said that such a scheme would strengthen the Banking Union, buttress bank depositor protection, reinforce financial stability and further reduce the link between banks and their sovereigns. Furthermore, the Single Resolution Mechanism became fully operational on 1

⁵⁴¹ Labor Department moves forward on retirement advice proposal. Reuters (Washington DC). 29 January 2016. Access Date: 23 February 2016. <http://www.reuters.com/article/us-usa-brokers-fiduciary-idUSKCN0V71O8>.

⁵⁴² Labor Department moves forward on retirement advice proposal. Reuters (Washington). 29 January 2016. Access Date: 23 February 2016. <http://www.reuters.com/article/us-usa-brokers-fiduciary-idUSKCN0V71O8>.

⁵⁴³ FACT SHEET: The President's Fiscal Year 2017 Budget: Overview. Office of the Press Secretary, The White House (Washington DC). 9 February 2016. Access Date: 23 February 2016. <https://www.whitehouse.gov/the-press-office/2016/02/09/fact-sheet-presidents-fiscal-year-2017-budget-overview>.

⁵⁴⁴ FACT SHEET: The President's Fiscal Year 2017 Budget: Overview. Office of the Press Secretary, The White House (Washington DC). 9 February 2016. Access Date: 23 February 2016. <https://www.whitehouse.gov/the-press-office/2016/02/09/fact-sheet-presidents-fiscal-year-2017-budget-overview>.

⁵⁴⁵ Comprehensive Growth Strategy: European Union, G20 Turkey 2015 (Antalya), 15 November 2015. Access Date: 24 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-EU.pdf>.

⁵⁴⁶ Press Release - A stronger Banking Union: New measures to reinforce deposit protection and further reduce banking risks, 24 November 2015. Access date: 24 February 2016. http://europa.eu/rapid/press-release_IP-15-6152_en.htm.

January 2016.⁵⁴⁷ First proposed in July 2013, it is intended to bolster the resilience of the financial system and help avoid future crises by providing for the timely and effective resolution of cross-border and domestic banks. This is a step towards fulfilling the EU's medium-term objective of finalizing a genuine banking union.

On 26 November 2015, the European Commission released its Annual Growth Survey, which sets out general economic and social priorities for the EU.⁵⁴⁸ It is built on the three pillars outlined in the previous year's survey — re-launching investment, pursuing structural reforms to modernise our economies, and responsible public finances. Part of ensuring responsible public finances includes enhancing coordination and surveillance of the economic policies of all euro area member states, given strong dependence and spillover effects among states. These priorities are largely in line with the adjustments to the EU's adjusted growth strategy for the G20, which reflects its continued commitment. As a result of the EU's ongoing efforts to put debt on a sustainable path, the debt-to-GDP ratio is forecast to fall from 87.8 per cent expected this year to 85.8 per cent in 2017.

On 21 January 2016, the Commission released its annual Employment and Social Developments in Europe review, which reveals the latest employment and social trends, reflects on upcoming challenges, and suggests possible policy responses.⁵⁴⁹ The overarching theme of the review is the need to invest in people for economic growth. It stated that the EU could improve its economic potential by making better use of its human resources through mobility. It also encouraged the EU to promote greater labour market participation for non-EU workers, as well as women with children and older workers, especially in the context of an aging population.

On 28 January 2016, the Commission proposed an Anti Tax Avoidance Package that calls on member states to take a stronger and more coordinated stance against companies that seek to avoid paying their fair share of tax and to implement the international standards against base erosion and profit shifting.⁵⁵⁰ It includes legally binding measures to block the most common methods companies use to avoid paying taxes, as well as a proposal for member states to share tax-related information on multinationals operating in the EU. The package must be submitted to the European Parliament for consultation and the European Council for adoption.⁵⁵¹ This action directly addresses the plank of the EU's adjusted 2015 growth strategy relating to tackling corporate tax avoidance.

The EU has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy.

Thus, the European Union has received a score of 0.

Analyst: Trinh Theresa Do

⁵⁴⁷ Press Release - Single Resolution Mechanism to come into effect for the Banking Union 31 December 2015. Access date: 25 February 2016. http://europa.eu/rapid/press-release_IP-15-6397_en.htm.

⁵⁴⁸ Press Release - Annual Growth Survey 2016: Strengthening the recovery and fostering convergence 26 November 2016. Access date: 25 February 2016. http://europa.eu/rapid/press-release_IP-15-6069_en.htm.

⁵⁴⁹ Press Release - 2015 Employment and Social Developments review: Investing in people is key to economic growth 21 January 2016. Access date: 25 February 2016. http://europa.eu/rapid/press-release_IP-16-93_en.htm.

⁵⁵⁰ Press Release - Fair Taxation: Commission presents new measures against corporate tax avoidance, 28 January 2016. Access date: 25 February 2016. http://europa.eu/rapid/press-release_IP-16-159_en.htm.

⁵⁵¹ Press Release - Fair Taxation: Commission presents new measures against corporate tax avoidance, 28 January 2016. Access date: 25 February 2016. http://europa.eu/rapid/press-release_IP-16-159_en.htm.