

# World leaders pleased with global economic recovery

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SAINT PETERSBURG, RUSSIA: President Jacob Zuma and the South African delegation at the G20 summit have concluded their trip to Russia where investment and job creation topped the list of priorities in the joint discussions.



World leaders emerged from the meeting last week satisfied that progress was being made in stabilising the global economy.

Investing in economic growth and creating jobs was the main priority on the G20 agenda this year. Leaders signed off on a jobs and growth initiative, as well as steps to combat international tax evasion and tighten financial regulation.

In their final declaration released at the close of the summit last week, the leaders of the world's most industrialised countries agreed to implement a broad range of financial reforms to address the major fault lines that caused the economic crisis in 2008.

## Financial systems

"We are building more resilient financial institutions, making substantial progress towards ending the concept of too-big-to-fail by increasing transparency and market integrity, filling regulatory gaps and addressing the risks from shadow banking.

"We will pursue our work to build a safe, reliable financial system responsive to the needs of our citizens," read the declaration.

The leaders also stressed the importance of strong multilateral trading system and call on all the World Trade Organisation members to show the necessary flexibility and reach a successful outcome in this year's multilateral trade negotiations.

"We extend our commitment to refrain from protectionist measures and enhance transparency in trade, including trade agreements."

On the issue of tax evasion, which also dominated the agenda, the summit said cross border tax evasion and avoidance

undermined public finances and people's trust in the fairness of the tax system. Plans were endorsed to address these problems and leaders committed their governments to take steps to change rules to tackle tax avoidance, harmful practices, and aggressive tax planning.

## **Corruption impedes growth**

Leaders also agreed that corruption impedes sustainable economic growth and poverty reduction, threatening financial stability and the economy as a whole.

The declaration said that G20 countries had a responsibility to ensure that all people have an opportunity to gain from strong, sustainable and balanced growth.

"We endorse the St Petersburg Development Outlook to focus our efforts on concrete steps to improve food security, financial inclusion, infrastructure, human resource development and domestic resource mobilisation," read the declaration.

But the summit also considered the main challenges to the global economy to be weak growth and persistently high unemployment, particularly among youth and the need for more inclusive growth in many economies.

On the second day of the G20 summit, the G20 leaders met with business and trade union representatives from the G20 countries.

Participants in the Business 20 and Labour 20 groups presented their recommendations to the G20 leaders at the meeting.

A G20 Action Plan to support development of local currency bond markets and recommendations on conducting market diagnostics for local currency bond markets were drafted. Bonds issued in local currency are an important source of financing for long-term internal investment, above all in infrastructure.

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