

# G-20 should strategise revival of global growth



**DOHA DATELINE**  
Dr R. Seetharaman

THE G-20 LEADERS' Summit in 2014 will be held on November 15 and 16 in Brisbane, Queensland. It is the ninth meeting of G-20 members since the global financial crisis. The G-20 as a forum for cooperation and consultation on matters pertaining to the international financial system. It studies, reviews and promotes discussion among key industrial and emerging market countries on policy issues pertaining to the promotion of international financial stability and seeks to address issues that go beyond the responsibilities of any one organisation. It has played a key role after the crisis in driving global regulatory reforms.

However, currently with the global growth is not picking up G-20 should focus on the economic revival. In advanced economies, the legacies of the pre-crisis boom and the subsequent recession, notably high debt burdens and unemployment still cast a shadow on the recovery, and low potential growth ahead is a concern. Several emerging markets are also adjusting to lower potential growth. Eurozone and Japan still continue with monetary easing and other measures to revive growth. US indicating mixed economic data and concerns of slowdown in China prevail. Growth in G-20 countries, which constitute 85 per cent of the global economy, is essential for development elsewhere and hence G-20 will also cooperate with institutions and countries which are not in the group.

The G-20 aim to lift global growth

over the next five years by more than \$2 trillion, creating tens of millions of new jobs across the globe. The plan is to get to a potential increase in the G-20 GDP of two per cent or more. Preliminary analysis by IMF-OECD (International Monetary Fund-Organisation for Economic Cooperation and Development) indicates these measures will lift our collective GDP by an additional 1.8 per cent through to 2018. These measures, along with macro-economic policies, are designed to

lift global growth and contribute to rebalancing global demand. The growth strategies of the G-20 will include increasing quality investment in infrastructure, reducing barriers to trade, promote competition and lifting employment and participation.

In September 2014, the G-20 agreed to a Global Infrastructure Initiative to increase quality investment, particularly in infrastructure. The initiative will seek to imple-

ment the multi-year infrastructure agenda. The Initiative will also include key measures to improve investment climates, which are key to its efforts to attract private sector participation. The G-20 also has a central role in promoting better global governance, including of world trade. The G-20 members are looking at what can be done to contribute to a stronger global trading system and a stronger WTO. Reducing barriers to trade recognises the

reality that in today's world, products are not made in one country and sold somewhere else, but often cross national borders many times as they are being created. Measures to cut the cost of doing business and enhance countries' ability to participate in global value chains (GVCs) can facilitate increased trade activity. The growth of GVCs has increased the interconnectedness of economies and led to a growing specialisation in specific activities and stages in value chains, rather than in entire industries.

The policies to improve employment, and those that enhance trade and promote competition are also relevant to the business environment for SMEs. SMEs create jobs in economies. SMEs are likely to feel the constraints of poor policy in areas such as poor and excessive regulation of product markets and policies to promote competition. General policies in these areas can be complemented by specific and well-targeted measures that improve the business capability of SMEs. The Global regulatory reforms continue under the leadership of financial stability Board. Financial Stability Board (FSB) has made further progress in defining the terms and conditions of total loss absorbing capacity for global systemically important banks (G-SIBs) and in finding solutions to remaining obstacles to cross-border resolution. The FSB plans to present an updated roadmap for shadow banking in for the Brisbane Summit.

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**Joe Hockey, Australia's treasurer (center), speaks as Jose Angel Gurria, secretary-general of the OECD, (left), and John Rice, vice chairman of General Electric, look on at a news conference at the B-20 Australia Summit in Sydney on July 18. Business leaders from Group of 20 member countries convened at the summit, ahead of the G-20 leaders summit in Brisbane in November. — Bloomberg**

*The writer is the group chief executive officer at Doha Bank. Views expressed by him are his own and do not reflect the newspaper's policy.*