

中华人民共和国常驻联合国代表团

PERMANENT MISSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE UNITED NATIONS

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Excellency,

On 4-5 September, the 2016 G20 Summit will be held in Hangzhou, China, where leaders from G20 members, guest countries and international organizations will gather to discuss ways to advance global economic cooperation and development.

The G20 is the premier forum for international economic cooperation and an important mechanism for global economic governance. This year, China has chosen "Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy" as the theme, in order to facilitate G20's transition from a crisis-response mechanism to one focusing on long-term governance. With fruitful outcomes under a variety of agenda items to be achieved, the G20 Hangzhou Summit will have a far-reaching influence and help move the world economy one step closer to strong, sustainable and balanced growth.

As many colleagues have indicated their interest in this upcoming summit, I have the honor to provide you with some basic background information (please see attached) and would welcome your comments.

Excellency, I avail myself of this opportunity to renew to you the assurances of my highest consideration.



Liu Jieyi

Permanent Representative, Ambassador
Chinese Permanent Mission to the United Nations

Introduction

On 4-5 September, the world will turn its eyes to the G20 Summit in Hangzhou, China, where leaders from the G20 members, guest countries and international organizations will gather to discuss ways to advance global economic cooperation and development.

Openness, inclusiveness and transparency are the principles China follows in hosting events. Since assuming presidency last December, China has held three Sherpa Meetings and three Finance Ministers and Central Bank Governors Meetings. Working groups on development, trade and investment, employment, energy and infrastructure have met several times as well. The International Financial Architecture Working Group, dormant for years, has been reactivated. Three newly-established special working groups respectively on innovation, new industrial revolution and digital economy have started their work. Starting from June, G20 meetings for agriculture ministers, energy ministers, employment ministers and trade ministers have been held in succession, followed by major side events such as the B20 business forum, the Labor 20, the Think-tank 20, the Youth 20, the Women 20 and the Civil 20. So far, the framework and main areas of summit outcomes have taken shape.

Goals

The world economy is in a crucial transition period with daunting challenges. The old approach of stimulating growth merely through fiscal and monetary policies has become less and less effective. And policies of the world's major economies have clearly diverged, making it harder to form synergy. Trade and investment protectionism is rearing its head, and the building of an open economy remains a long and daunting task. The world economy, though recovered somewhat from the crisis, is still weak in growth and under constant downward pressure.

At the Hangzhou Summit, China would like to focus on these core challenges, work with all parties to seek common solutions and contribute China's wisdom. We aim to steady and promote growth by addressing both the symptoms and root causes of economic problems. We want to facilitate G20's transition from a crisis-response mechanism to one focusing on long-term governance so as to promote world economic growth and international economic cooperation.

Theme

The theme of the G20 Hangzhou Summit is **"Toward an Innovative, Invigorated, Interconnected and Inclusive World Economy"**.

Innovation is an important driving force for global sustainable growth. Demand-based cyclical policies can iron out short-term fluctuations, but it is hardly sufficient to sustain long-term growth. We believe the G20 should forge new growth engines by promoting innovation-driven development, encouraging across-the-board innovation in science and technology, development concepts, institutions and mechanisms, as well as business models.

An **invigorated** world economy is based on the participation of all stakeholders. The G20 should stimulate greater dynamism for growth through domestic structural reforms, international economic cooperation, and global economic governance that is equitable, legitimate and effective. Only when stronger engines of growth are identified and higher growth quality is achieved in each and every economy, can the potential of the world economy be fully unleashed.

In a globalized world, the **interconnectivity** between different countries has become so close that we either stand or fall together. We believe that sense of community should enable the G20 to build an open world economy, cooperate to address common challenges, and promote sound interaction among economies to achieve mutual benefits.

While the development levels vary among countries, the gap must be narrowed rather than left to widen. Likewise, benefits of development should be shared by all rather than by only a few. The G20 is committed to more **inclusive** growth, through concrete actions to reduce inequalities and imbalances in global development.

Key Agenda Items

Four key priority topics have been identified.

Under the topic of “**breaking a new path for growth**”, G20 priorities include innovation, new industrial revolution, digital economy and structural reform. We believe innovation and structural reform are more effective means to boost the world economic growth and unlock medium- to long-term growth potential. It is also a fundamental way to steer the world economy away from sluggish recovery and market volatilities. We need to increase, through innovation, the accessibility and affordability of new technologies and forms of business, lower the threshold for developing countries to integrate into the new economy.

Under the topic of “**more effective and efficient global economic and financial governance**”, the G20 members aim to advance reform in the global economic governance and increase the representation and voice of developing countries and emerging markets. We believe global economic governance must keep in pace with the changing economic landscape. We will continue to push for quota and voting power reforms of the IMF and the World Bank. We will promote inclusive finance and help to bring its benefit to developing countries. We will also work to enhance governance and cooperation in the energy and anti-corruption fields.

The topic of “**robust international trade and investment**” will be discussed. The growth rate of international trade has lagged behind that of world economy for several consecutive years. This year China has advocated trade and investment be put onto the G20 agenda and has built the G20 Trade Ministers Meeting, Trade and Investment Working Group and other institutionalized platforms. We will uphold the multilateral trading system, adhere to the Doha round development mandate and make progress in the post-Nairobi period. We will also formulate Guiding Principles for Global Investment Policy-Making to fill the gap of

international investment governance.

“Inclusiveness and inter-connected development” is a highlight of the Summit. As the biggest developing country, China knows that without the prosperity of developing countries, it would be impossible to invigorate global development. Full-scale development will not be achieved until the world economies grow in a coordinated manner and people of all walks of life enjoy shared prosperity. At the Summit, for the first time, the issue of development will be placed in a prominent position in the global macro policy framework. The Hangzhou Summit will also witness the participation of more developing countries than any other summit in the history of G20.

Anticipated Outcomes

First, develop a blueprint of innovative growth. This year’s summit will mark the first G20 summit focusing on the mid-long term impetus of global growth. At the special working group meeting in mid-May, G20 members reached consensus on developing a G20 blueprint of innovative growth. This blueprint will not only find fresh and strong impetus for world economic growth, but also set a series of concrete action plans in areas including innovation, new industrial revolution and digital economy. At the Summit, we will adopt the blueprint and jointly open up a new path for global growth.

Second, formulate action plans to implement the UN 2030 Agenda for Sustainable Development. G20 members are dedicated to drafting action plans for the implementation of the UN 2030 Agenda for Sustainable Development. In doing so, we hope to offer strong support to the Agenda through collective actions as well as individual actions by each country.

Third, identify priority fields, guiding principles and index system for structural reform. Consensus has been reached on the nine priority fields of G20 structural reforms. At present, all parties are further planning the guiding principles and establishing a set of index system for measuring the progress and results of the reform. This will be the first time in G20’s history to address both symptoms and root causes of global economic slowdown. We will continue to apply fiscal and monetary policies to cope with present challenges, and at the same time tap mid-long term growth potential through structural reform.

Fourth, draft strategies for global trade growth. On the basis of the WTO Ministerial Conference in Nairobi last year, the G20 will formulate a global trade growth strategy, in order to improve global trade governance and strengthen the capacity of developing countries in participating in the global value chain. The strategy aims at reducing trade cost and increasing trade financing, as well as taking other actions through the coordination of trade and investment policies, so as to reverse the downward trend of trade growth.

Fifth, set out guiding principles for global investment policies. At present, the international investment regime has been divided by over 3,200 bilateral agreements, which is not beneficial to cross-border investment and cooperation. China will push the establishment of guiding principles at the G20 on global investment this year. It will be the

first multilateral global investment rules framework, which is of pioneering significance.

Sixth, deepen the reform of international financial architecture. Since China taking up the rotating presidency, the reform of international monetary system has made important progress. So far, basic consensus has been reached at the third G20 Finance Ministers and Central Bank Governors Meeting, which includes the improved capital flow monitoring, the broader use of the Special Drawing Rights and the enhanced orderliness and predictability of sovereign debt restructuring. At this Summit, we will push the IMF to finish the 15th General Quota Review and further optimize global financial security network so as to safeguard international financial stability.

Seventh, establish cooperation on anti-corruption. The third Sherpa Meeting in June has worked out high-level principles on international fugitive repatriation and asset recovery. At the Summit, we will adopt these principles, set up a research center on fugitive repatriation and asset recovery, and make 2017-2018 anti-corruption action plan. We will establish a three-in-one anti-corruption pattern featuring principle, institutionalization and action, letting those involved in corruption have nowhere to escape in G20 member countries.

Eighth, launch a cooperation initiative to support the industrialization of Africa and the least developed countries. We will propose a cooperation initiative, and provide policy support and recommendations to help these countries accelerate industrialization and realize poverty reduction and Sustainable Development Goals.

Ninth, draw up entrepreneurship action plans. China is vigorously promoting mass entrepreneurship and mass innovation. China's efforts in the formulation of this action plan will not only provide strong impetus for world economic growth and employment growth, but build an important platform for all countries to exchange entrepreneurship practices and experience.

Tenth, promote the early entry into force of the Paris Agreement on climate change. Under China's proposal and supports from all parties, the first Presidency Statement on Climate Change throughout G20's history was released at the Sherpa Meeting in April, 2016. At present, most of the member states and guest states of the G20 have signed the Paris Agreement. We will call on all parties to accelerate ratifying procedures, bring the Paris Agreement into force at an early date and coordinate with all parties to take positive action so as to make contributions to international cooperation in climate change.

It is estimated that altogether 29 outcome documents will be reached at the Summit, including a G20 Leaders' Communiqué and 28 specific outcome documents. All preparation works are under smooth progress and we are fully confident that the Hangzhou Summit will be the most fruitful summit in the history of G20.