Berlin, 21 November 2004

# G-20 REFORM AGENDA

Agreed actions to implement the G-20 Accord for Sustained Growth

We, the Finance Ministers and Central Bank Governors, have adopted the reform agenda below which translates our G-20 Accord for Sustained Growth into concrete policy measures for our countries. We will review the progress at our next meeting in Beijing in 2005.

The United States is determined to reduce its public budget deficit, to continue reforming health insurance and the pension system, and to raise private savings. Canada is focused on raising its standard of living through productivity growth. It is maintaining a policy of balanced budgets, and it is implementing an expenditure review process that will ensure resources are available to focus on new priorities. Latin American members will continue with broad-based structural reforms and prudent fiscal policies. Argentina will also continue strengthening its banking sector and reviewing its fiscal system, in order to determine whether it requires any further improvement. Brazil will continue ensuring macroeconomic stability while pursuing further microeconomic reforms and increasing infrastructure investment geared at enhancing the growth potential of the economy. The country attaches priority to deepening domestic financial markets as a means of improving access to economic opportunities for a broader part of society. In Mexico, under the context of a solid fiscal stance, public expenditure will be emphasized in social sectors and infrastructure. The creation of more investment and employment opportunities will be pursued by deepening and modernising of the financial system.

Members of the European Union are committed to further reforming labour markets, to consolidating public finances and pension systems, to enhancing innovation and to completing the single market. Germany will complete its tax reform, fully implement labour market reform, push on with the reform of the health and pension system, and ensure fiscal sustainability. France will continue labour and product market reforms and restore fiscal sustainability by implementing recent pension and health care reforms and further public expenditure restraint. Italy will continue with reforms aimed at raising competition in the markets for goods and services. The UK will continue to work towards raising the economy's sustainable rate of growth through reform of the labour, product and capital markets, and investment in public services, underpinned by a macroeconomic framework to deliver stability for the long term.

The most important challenge for Russia is to create the foundations for more broad-based and sustainable growth at a high rate. Key elements will be reforms of the banking sector and the judiciary systems. Turkey will maintain a prudent fiscal stance, continue to privatise, reform the banking sector, social security system and tax system, and improve the general business climate.

To promote growth and employment, the South African government is focusing on infrastructure investment, increasing savings, and skills development. Furthermore, South Africa regards enhancing the efficiency of the public service as a key goal. Saudi Arabia will continue its efforts to diversify its economic structure, support private sector development and improve business environment for foreign investors. Priorities remain infrastructure investments, the creation of employment for the young generation and developing the secondary bond market.

In South and Southeast Asia, an overarching goal is to improve the climate for investment, in particular through regulatory reform. In India, the challenge is to reduce the budget deficit while raising sufficient resources for infrastructure and rural development. Tax reforms and public sector reforms are important areas of concern. Employment generation and better access to education and health remain important. Indonesia will further focus on improving public debt management, improving the regulatory framework in order to promote stability of the financial market, and addressing problems of governance.

Australia will improve the flexibility in workplace relations to expand available employment options, improve the tax and income support systems to further encourage participation in the labour force, and progress more general microeconomic reform.

Japan will continue its reform agenda, including measures to promote further reform of the financial system, such as reduction of non-performing loans, to foster privatization, such as in postal services, and regulatory reforms, and to address more vigorously the problem of fiscal sustainability.

China will continue to deepen the reforms of the state asset management system and state-owned enterprises; promote the development of the non-public sector of the economy; consolidate and strengthen the position of agriculture as the foundation of the national economy; carry forward the reforms of the financial system, the fiscal and taxation systems and the investment system; push forward employment and income distribution system reform and improve social safety nets; and strengthen reforms of administration management system and economic legal system. Korea will continue restructuring its corporate sector to enhance international competitiveness, strengthening its domestic financial sector, and pursuing labour market reform while making an effort to build up an efficient social safety net.

All G-20 members remain committed to strengthening the framework for the global economy. They encourage trade ministers to work together in good faith to enable the WTO negotiations to succeed as quickly as possible.