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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 Final Compliance Report

16 November 2015 to 3 September 2016

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5 September 2016, revised 10 December 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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Preface

Since the G20 leaders met at their first summit in 2008 in Washington, the G20 Research Group at the University of Toronto and the Center for International Institutions Research of the Russian Presidential Academy of National Economy and Public Administration (RANEPA), formerly with the International Organizations Research Institute at the National Research University Higher School of Economics (HSE), in Moscow have produced reports on their progress in implementing the priority commitments made at each summit. These reports monitor each G20 member's efforts to implement a carefully chosen selection of the many commitments produced at each summit. The reports are offered to the general public and to policy makers, academics, civil society, the media and interested citizens around the world in an effort to make the work of the G20 more transparent, accessible and effective, and to provide scientific data to enable the meaningful analysis of the causes of compliance and the impact of this important informal international institution. Previous reports are available at the G20 Information Centre at <http://www.g20.utoronto.ca/analysis>.

The G20 Research Group has been working with Marina Larionova's team at RANEPA and previously at HSE since initiating this G20 compliance research in 2009, after the Washington Summit in November 2008. The initial report, covering only one commitment made at that summit, tested the compliance methodology developed by the G8 Research Group and adapted it to the G20.

To make its assessments, the G20 Research Group relies on publicly available information, documentation and media reports. To ensure accuracy, comprehensiveness and integrity, we encourage comments from stakeholders. Indeed, scores can be recalibrated if new material becomes available. All feedback remains anonymous. Responsibility for the contents of this report lies exclusively with the authors and analysts of the G20 Research Group. Due to extenuating circumstances, stakeholders had limited time to submit feedback. This report reflects feedback submitted as of 5 September 2016. It includes seven commitments that could not be distributed for stakeholder feedback.

The interim report, published in July 2016, assessed performance by G20 members with 10 priority commitments among the total of 113 commitments made at the 2015 Antalya Summit, held on 15-16 November 2015. It covered the first part of China's G20 presidency up to 5 April 2016.

This final report assesses performance by G20 members on those same 10 commitments plus the seven that did not receive stakeholder feedback, for a total of 17.

I am most grateful to Sarah Scott and our G20 Research Group team, as well as Marina Larionova, Mark Rakhmangulov and their team in Moscow at RANEPA.

Professor John Kirton
Co-director, G20 Research Group

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			+1
Australia			+1
Brazil			+1
Canada			+1
China		0	
France			+1
Germany			+1
India			+1
Indonesia		0	
Italy			+1
Japan		0	
Korea		0	
Mexico			+1
Russia		0	
Saudi Arabia		0	
South Africa			+1
Turkey			+1
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.65	

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: +1

Argentina 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.

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.⁶⁴⁸

On 1 December 2015, construction for a hydroelectric dam in Patagonia began.⁶⁴⁹ This dam is expected to have an installed capacity of 1.7 gigawatts and will be the largest dam contained in one country.⁶⁵⁰ The dam is expected to bring jobs to the region and grow the size of the town.⁶⁵¹

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.⁶⁵² At the conference, they committed ARS91.4 billion 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.⁶⁵³ 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.⁶⁵⁴ 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 2015.⁶⁵⁵

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. Minister Prat-Gay was looking for ways to improve the Belgrano Plan, which is a multifaceted government plan to alleviate poverty and improve

⁶⁴⁸ 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.

⁶⁴⁹ 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>.

⁶⁵⁰ 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>

⁶⁵¹ 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>.

⁶⁵² 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/>.

⁶⁵³ 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/>.

⁶⁵⁴ 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/>.

⁶⁵⁵ 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/>.

infrastructure. The Belgrano Plan was announced during Mauricio Macri's presidential campaign in October 2015.⁶⁵⁶

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."⁶⁵⁷

On 18 March 2016, Minister of Treasury and Finance, Alfonso Prat-Gay, met with the Minister of Social Development, Carolina Stanley, and World Bank Vice President, Jorge Familiar, and reached an agreement that Argentina will receive USD6.3 billion financed by the World Bank.⁶⁵⁸ This fund will extend the Child Allowance (AUH) for all Argentine children, and finance the Belgrano Plan that seeks to develop the infrastructure of ten northern provinces.⁶⁵⁹ USD2 billion will be used this year(2016-2017), with USD1.4 billion for projects in water works, health, social housing and renewable energy, as well as access to credit for Small and Medium Enterprise.⁶⁶⁰

On 18 April 2016, the federal government has announced that it will undertake track renewals on 1,500 km of the 1,000 mm gauge Belgrano network, focusing on routes serving the ports of Rosario and Santa Fe.⁶⁶¹ Minister of Transport Guillermo Dietrich said that the upgrade was 'the largest ever undertaken' on Argentina's rail freight network. According to the government, the upgraded programme will create 10,000 direct and 38,000 indirect jobs, and the government predicts a 419 per cent increase traffic on the Belgrano network.⁶⁶²

On 26 May 2016, the Ministry of Energy announced its aim to boost the country's crude oil production by 23 per cent by 2025.⁶⁶³ They estimate that around USD50 billion will be needed to develop upstream, downstream and power projects until 2025, including a 200,000 barrel per day expansion to the country's refining network and new thermal generation plants.⁶⁶⁴ It has received 60

⁶⁵⁶ 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.

⁶⁵⁷ 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/>

⁶⁵⁸ Press: The government agreed with the World Bank projects 6.300 million for infrastructure, social programs, innovation and SME financing, Ministry of Finance (Buenos Aires) 18 December 2015. Access Date: 20 July 2016. <http://www.economia.gob.ar/el-gobierno-acordo-con-el-banco-mundial-proyectos-por-6-300-millones-de-dolares-para-infraestructura-planes-sociales-innovacion-y-financiamiento-de-pymes/>.

⁶⁵⁹ Press: The government agreed with the World Bank projects 6.300 million for infrastructure, social programs, innovation and SME financing, Ministry of Finance (Buenos Aires) 18 December 2015. Access Date: 20 July 2016. <http://www.economia.gob.ar/el-gobierno-acordo-con-el-banco-mundial-proyectos-por-6-300-millones-de-dolares-para-infraestructura-planes-sociales-innovacion-y-financiamiento-de-pymes/>.

⁶⁶⁰ Press: The government agreed with the World Bank projects 6.300 million for infrastructure, social programs, innovation and SME financing, Ministry of Finance (Buenos Aires) 18 December 2015. Access Date: 20 July 2016. <http://www.economia.gob.ar/el-gobierno-acordo-con-el-banco-mundial-proyectos-por-6-300-millones-de-dolares-para-infraestructura-planes-sociales-innovacion-y-financiamiento-de-pymes/>.

⁶⁶¹ Belgrano upgrade relaunched, Railway Gazette (London) 21 April 2016. Access Date: 20 July 2016. <http://www.railwaygazette.com/news/freight/single-view/view/belgrano-upgrade-relaunched.html>.

⁶⁶² Belgrano upgrade relaunched, Railway Gazette (London) 21 April 2016. Access Date: 20 July 2016. <http://www.railwaygazette.com/news/freight/single-view/view/belgrano-upgrade-relaunched.html>.

⁶⁶³ UPDATE 1-Argentina to boost crude oil output to 653,000 bpd by 2025 – official, Reuters (London) 26 May 2016. Access Date: 20 July 2016. <http://www.reuters.com/article/argentina-oil-idUSL2N18N1HY>.

⁶⁶⁴ UPDATE 1-Argentina to boost crude oil output to 653,000 bpd by 2025 – official, Reuters (London) 26 May 2016. Access Date: 20 July 2016. <http://www.reuters.com/article/argentina-oil-idUSL2N18N1HY>.

proposals from firms interested in installing power plants with a joint capacity of 6,000 megawatts.⁶⁶⁵ The Ministry of Energy is holding talks between producers and refiners to ensure all light oil produced domestically will be processed in the country, and it will install new deep conversion units at local refineries to process more domestic heavy crude.⁶⁶⁶

On 27 May 2016, President Macri announced that he would submit a package of bills to Congress, which include a plan to pay debt owed to pensioners who sued the state several years ago and a proposal to extend pension benefits for those not covered by the current system.⁶⁶⁷ The measure will benefit around 2.5 million pensioners (one-third of the total), and retirees will receive an automatic rise of 45%.⁶⁶⁸ Pensioners who previously sued the Administración Nacional de la Seguridad Social (ANSES, the National Social Security Administration) will receive a retroactive payment.⁶⁶⁹ In addition, the government also announced a universal pension for over-65s who do not currently receive one (around 60,000 people).⁶⁷⁰

On 9 June 2016, Minister of Treasury and Finance, Alfonso Prat-Gay, said that the law that establishes the VAT refund for retirees, pensioners and holders of social plans would benefit nearly 9 million people.⁶⁷¹ He said that it involves a fiscal effort of ARS25 billion shared with the provinces.⁶⁷²

On 29 June 2016, the Senate passed the government-sponsored bill to settle debts with pensioners with retirement claims against the state, update the value of pensions, and create a universal benefit for senior citizens who would be paid 80 percent of the current minimum pension.⁶⁷³

On 28 July 2016, the Labour Ministry reported that Argentina lost more than 50,000 jobs in the private sector since President Mauricio Macri took office in December, until May of this year.⁶⁷⁴ In a

⁶⁶⁵ UPDATE 1-Argentina to boost crude oil output to 653,000 bpd by 2025 – official, Reuters (London) 26 May 2016. Access Date: 20 July 2016. <http://www.reuters.com/article/argentina-oil-idUSL2N18N1HY>.

⁶⁶⁶ UPDATE 1-Argentina to boost crude oil output to 653,000 bpd by 2025 – official, Reuters (London) 26 May 2016. Access Date: 20 July 2016. <http://www.reuters.com/article/argentina-oil-idUSL2N18N1HY>.

⁶⁶⁷ Argentina to finance pensions reform with tax amnesty, Economist (London) 31 May 2016. Access Date: 20 July 2016. <http://www.eiu.com/industry/article/884271072/argentina-to-finance-pensions-reform-with-tax-amnesty/2016-06-01>.

⁶⁶⁸ Argentina to finance pensions reform with tax amnesty, Economist (London) 31 May 2016. Access Date: 20 July 2016. <http://www.eiu.com/industry/article/884271072/argentina-to-finance-pensions-reform-with-tax-amnesty/2016-06-01>.

⁶⁶⁹ Argentina to finance pensions reform with tax amnesty, Economist (London) 31 May 2016. Access Date: 20 July 2016. <http://www.eiu.com/industry/article/884271072/argentina-to-finance-pensions-reform-with-tax-amnesty/2016-06-01>.

⁶⁷⁰ Argentina to finance pensions reform with tax amnesty, Economist (London) 31 May 2016. Access Date: 20 July 2016. <http://www.eiu.com/industry/article/884271072/argentina-to-finance-pensions-reform-with-tax-amnesty/2016-06-01>.

⁶⁷¹ Press: Prat-Gay: "The VAT refund benefits the most vulnerable sectors and expands social benefits", Ministry of Finance (Buenos Aires) 9 June 2016. Access Date: 20 July 2016. <http://www.economia.gob.ar/prat-gay-la-devolucion-del-iva-beneficia-a-los-sectores-mas-vulnerables-y-expande-los-beneficios-sociales/>.

⁶⁷² Press: Prat-Gay: "The VAT refund benefits the most vulnerable sectors and expands social benefits", Ministry of Finance (Buenos Aires) 9 June 2016. Access Date: 20 July 2016. <http://www.economia.gob.ar/prat-gay-la-devolucion-del-iva-beneficia-a-los-sectores-mas-vulnerables-y-expande-los-beneficios-sociales/>.

⁶⁷³ Senate turns whitewash, pension bill into law, Buenos Aires Herald (Buenos Aires) 30 June 2016. Access Date: 20 July 2016. <http://www.buenosairesherald.com/article/217161/senate-turns-whitewash-pension-bill-into-law>

⁶⁷⁴ Government admits more than 52,000 jobs were lost in 5 months, Buenos Aires Herald (Buenos Aires) 28 July 2016. Access Date: 29 July 2016. <http://www.buenosairesherald.com/article/218864/government-admits-more-than-52000-jobs-were-lost-in-5-months>.

report released today, the Ministry revealed the decline of formal employment from 6,216,909 workers in December 2015, against 6,164,392 workers registered in last May.⁶⁷⁵

Argentina has taken action to implement fiscal policy measures stated within its comprehensive growth strategy, including policies to boost oil production, increase employment, bolster pension coverage, and improve the freight railway. Additionally, it has implemented policies to improve the business environment for Small and Medium-sized Enterprises (SMEs).

Thus, Argentina has received a score of +1.

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.⁶⁷⁶

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 2016.⁶⁷⁷

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 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.⁶⁷⁸

⁶⁷⁵ Government admits more than 52,000 jobs were lost in 5 months, Buenos Aires Herald (Buenos Aires) 28 July 2016. Access Date: 29 July 2016. <http://www.buenosairesherald.com/article/218864/government-admits-more-than-52000-jobs-were-lost-in-5-months>.

⁶⁷⁶ 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>.

⁶⁷⁷ 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%2BIYc3HpsiRhVIOXA%3D%3D.

⁶⁷⁸ 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>.

On 4 February 2016, Minister for Trade and Investment Andrew Robb formally signed the Trans Pacific Partnership Agreement (TPP), which will see the elimination of 98 per cent of tariffs among 12 countries.⁶⁷⁹

On 8 March 2016, the Minister for Trade and Investment, Hon Steven Ciobo MP, announced that fourteen organizations across Australia have received grants under the Australian Government's Free Trade Agreement Training Provider Grants program, worth a total value of AUD1.372 million. The grants cover training activities that directly educate small and medium business about how to access and use the FTAs with three of Asia's largest economies.⁶⁸⁰

On 15 March 2016, the Australian Government will re-open a trade office in Iran, creating new export and investment opportunities for Australia.⁶⁸¹

On 23 March 2016, the Australian Government announced it is establishing a AUD1 billion Clean Energy Innovation Fund to support emerging technologies make the leap from demonstration to commercial deployment. This will drive innovation and create the jobs of the future, while delivering a financial benefit from the investment of public money. The \$1 billion Clean Energy Innovation Fund will be established from within the CEFC's AUD10 billion allocation. This Fund will make available AUD100 million a year for ten years.⁶⁸²

On 6 April 2016, the Minister for Trade and Investment Hon Steven Ciobo MP announced a Small Business Export Loan which will provide small and medium enterprises who are looking to export with easier access to finance. The loan product enables businesses with annual revenue between AUD250,000 and AUD5 million to access up to AUD250,000 to support an export contract. The loan will be available to small exporters when their bank is unable to help.⁶⁸³

On 8 April 2016, the Turnbull Government committed an additional AUD1.5 billion for essential infrastructure to support Victoria's regions. This includes a billion-dollar upgrade of the congested Monash Freeway serving the communities of South Eastern Melbourne as well as the final upgrades of the M80 Western Ring Road, improved freight rail connections from regional Victoria to export markets, planning work on the Melbourne Metro project and an allocation for regional roads and urban congestion projects.⁶⁸⁴

On 10 April 2016, the Australian Government announced it would invest an additional AUD490 million into Western Australian infrastructure in 2016-17 in order to help Western Australia

⁶⁷⁹ 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%2BIYc3HpsIRhVl0XA%3D%3D.

⁶⁸⁰ Free Trade Agreement Training Provider Grants, Minister for Trade and Investment 8 March 2016. Access: 16 July 2016.

http://trademinister.gov.au/releases/Pages/2016/sc_mr_160308.aspx?w=tb1CaGpkPX%2FISOK%2Bg9ZKEg%3D%3D.

⁶⁸¹ Renewed commercial relationship with Iran, Minister of Trade and Investment 15 March 2016. Access: 16 July 2016.

http://trademinister.gov.au/releases/Pages/2016/sc_mr_160315a.aspx?w=tb1CaGpkPX%2FISOK%2Bg9ZKEg%3D%3D.

⁶⁸² Turnbull Government Taking Strong New Approach To Clean And Renewable Energy Innovation In Australia, Prime Minister of Australia 23 March 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-03-23/turnbull-government-taking-strong-new-approach-clean-and-renewable-energy>.

⁶⁸³ New Export Loan for Small Business, Minister of Trade and Investment 6 April 2016. Access: 16 July 2016.

http://trademinister.gov.au/releases/Pages/2016/sc_mr_160406.aspx?w=tb1CaGpkPX%2FISOK%2Bg9ZKEg%3D%3D

⁶⁸⁴ Monash Upgrade The Centrepiece Of Turnbull Government's Victorian Infrastructure Package, Prime Minister of Australia 8 April 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-04-08/monash-upgrade-centrepiece-turnbull-governments-victorian-infrastructure-package>.

transition from a resource investment driven economy to a more diversified and innovative economy.⁶⁸⁵

On 12 April 2016, the Australian Government committed to providing an extra AUD260.8 million towards the cost of the Perth Freight Link tunnel.⁶⁸⁶

On 26 April 2016, the Turnbull Government announced a AUD50 billion dollar investment in new submarines, which will be constructed locally and directly sustain around 1,000 local jobs and a further 1,700 local jobs through the supply chain. Furthermore, the investment of AUD35 billion in the Future Frigate program and the more than AUD3 billion was announced for the Offshore Patrol Vessel program.⁶⁸⁷

On 29 April 2016, the Prime Minister Hon Malcolm Turnbull MP announced the Commonwealth's Smart Cities Plan. The Smart Cities Plan includes: the establishment of an infrastructure financing unit to work closely with the private sector on innovative financing solutions; and AUD50 million to accelerate planning and development works on major infrastructure projects to develop business cases and investment options.⁶⁸⁸

On 1 May 2016, the Turnbull Government committed AUD73.6 billion to education quality reforms. An additional AUD1.2 billion from 2018 to 2020 will be tied to a needs-based distribution of funding and reforms.⁶⁸⁹

On 3 May 2016, the Australian government announced, as part of its budget, that it will invest AUD840.3 million over four years in a Youth Employment Package to assist up to 120,000 vulnerable young people take advantage of job opportunities as the economy diversifies and transitions to broader-based growth. At the core of the package is the Youth Jobs PaTH (Prepare-Trial-Hire), a AUD751.7 million initiative to help maximize the chances of job seekers under 25 getting a job. The programme will involve three flexible stages. Employability skills training will begin on 1 April 2017 to help prepare young job seekers for the workplace. From 1 April 2017, up to 30,000 young job seekers each year will be eligible to undertake an internship placement of 4 to 12 weeks. The internships will be voluntary and provide incentives of AUD1,000 upfront to a business to host an intern and a AUD200 fortnightly payment to job seekers on top of their income support. From 1 January 2017, a Youth Bonus wage subsidy of between AUD6,500 and AUD10,000 will be available to businesses who take on an eligible young job seeker. As part of this measure, existing wage subsidies (including those for youth, parents, indigenous and mature-age workers, and the long-term unemployed) will be streamlined, making them easier for employers to access.⁶⁹⁰

⁶⁸⁵ Additional Commonwealth Support For Infrastructure Projects In Western Australia, Prime Minister of Australia 10 April 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-04-10/additional-commonwealth-support-infrastructure-projects-western-australia>.

⁶⁸⁶ Perth Freight Link To Improve Road Safety And Ease Port Access, Prime Minister of Australia 12 April 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-04-12/perth-freight-link-improve-road-safety-and-ease-port-access>.

⁶⁸⁷ Future Submarine Program, Prime Minister of Australia 26 April 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-04-26/future-submarine-program>.

⁶⁸⁸ Smart Cities will Grow the Innovation Economy, Prime Minister of Australia 29 April 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-04-29/smart-cities-will-grow-innovation-economy>.

⁶⁸⁹ The Quality Reforms Needed to get all Australian Students Ahead, Prime Minister of Australia (Sydney) 01 May 2016. Access: 16 July 2016. <http://www.pm.gov.au/media/2016-05-01/quality-reforms-needed-get-all-australian-students-ahead>

⁶⁹⁰ Creating a Path to Real Jobs for Young People, Treasurer of the Commonwealth of Australia 3 May 2016. Access Date: 16 July 2016. <http://sjm.ministers.treasury.gov.au/media-release/057-2016/>.

On 3 May 2016, the Turnbull Government announced that it will provide an additional AUD594 million to the Inland Rail project. The Inland Rail project will open up the freight corridor between Melbourne and Brisbane via regional New South Wales.⁶⁹¹

On 3 May 2016, the Australian government announced AUD594 million to acquire the land for the rail corridor from Melbourne to Brisbane and to continue pre-construction activities. It also announced AUD560 million per year from 2019–20 to further support the Roads to Recovery Programme, the Bridges Renewal Programme, the Heavy Vehicle Safety and Productivity Programme, and the Black Spot Programme. This funding allocations are part of the 2016-17 Budget, Investing in Regional Growth.⁶⁹²

On 4 May 2016, the Australian Government committed AUD115 million to fund planning and preparation work for the Western Sydney Airport project. This earmark was within the 2016 Budget.⁶⁹³

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

Thus, Australia has received a score of +1.

Analyst: Lauren Dalgliesh

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.⁶⁹⁴

On 20 November 2015, the Brazilian Chamber of Foreign Trade (CAMEX) signed a memorandum of understanding with the US Department of Commerce aimed at developing transparency in the regulation of foreign trade, increasing coordination among bodies involved and the elimination of unnecessary regulatory barriers.⁶⁹⁵

⁶⁹¹ Getting on with building the Inland Rail, Minister of Finance 3 May 2016. Access Date: 16 July 2016.

<http://www.financeminister.gov.au/media-release/2016/05/03/getting-building-inland-rail>

⁶⁹² Investing in our Regions to Boost Growth and Jobs, Minister for Regional Development 3 May 2016. Access Date: 16 July 2016. http://minister.infrastructure.gov.au/nash/releases/2016/May/budget-infra_01-2016.aspx

⁶⁹³ AUD115 million for Western Sydney Airport, Ministry of Infrastructure and Transport 4 May 2016. Access Date: 16 July 2016. http://minister.infrastructure.gov.au/chester/releases/2016/May/dc063_2016.aspx

⁶⁹⁴ Comprehensive Growth Strategy: Brazil, G20 Turkey 2015 (Antalya) November 2015. Access Date: 26 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-Brazil.pdf>

⁶⁹⁵ Camex inicia cooperação bilateral com EUA para eliminar barreiras desnecessárias ao comércio exterior (Brasília) 20 November 2015. Access Date: 25 February 2016 <http://www.camex.gov.br/noticias/ler/item/669>

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.⁶⁹⁶ This has been projected to yield a six to seven per cent decrease in the average consumer's electricity bill starting in April of 2016.⁶⁹⁷

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.⁶⁹⁸ 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.⁶⁹⁹

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.⁷⁰⁰ 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.⁷⁰¹

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.⁷⁰²

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.⁷⁰³

⁶⁹⁶ 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>.

⁶⁹⁷ 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>.

⁶⁹⁸ 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>.

⁶⁹⁹ 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>.

⁷⁰⁰ 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>.

⁷⁰¹ 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>.

⁷⁰² 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>.

⁷⁰³ 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>.

On 24 February 2016, Moody's downgraded Brazil's sovereign rating by two steps to Ba2.⁷⁰⁴ 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.⁷⁰⁵

On 24 February 2016, Brazil announced a government concession of BRL3.58 billion for the building of federal roads.⁷⁰⁶ This concession is part of the Logistics Investment Program, the purpose of which is to expand Brazil's transport infrastructure.⁷⁰⁷ On 16 December 2015, the Brazilian government announced an investment of BRL103 million towards the expansion of subway and tramway networks.⁷⁰⁸

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 2015.⁷⁰⁹

On 26 February 2016, the Brazilian government proposed a pension and tax reform for the purpose of imposing a growth limit to public spending.⁷¹⁰ Furthermore, it reemphasized the importance of further structural reforms and expressed its desire to continue its commitment to such reforms.⁷¹¹ On 25 February 2015, Brazil announced a monthly surplus of BRL14.835 billion- the highest for the 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.⁷¹²

On 3 May 2016, the Ministry of Finance announced a validation process for tax benefits granted in absentia. The goal of the policy is to end fiscal war and reduce uncertainty to encourage investment

⁷⁰⁴ 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>.

⁷⁰⁵ 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>.

⁷⁰⁶ 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>.

⁷⁰⁷ 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>.

⁷⁰⁸ 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>.

⁷⁰⁹ 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>.

⁷¹⁰ 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>.

⁷¹¹ 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>.

⁷¹² 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>.

amongst companies. The validation of benefits is aimed at decreasing the level of uncertainty in investments and in turn increasing the amount of them.⁷¹³

On May 8 2016, the Brazilian government adjusted the procedure for the accounting and collection of funds from the Fundo de Garantia por Tempo de Serviço, the FGTS, which companies are required to put money into for their employers. The revenues from the FGTS will now go through the Single Account of the National Treasury for accounting. The goal is to ensure greater transparency and reliability of the system.⁷¹⁴

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: +1

Canada 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.

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.⁷¹⁵

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.⁷¹⁶ Canada will invest an additional CAD100 million each year in clean technology production.⁷¹⁷ 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.⁷¹⁸

⁷¹³ Finance has proposed validation of tax benefits, Ministry of Finance (brasil) 3 May 2016. Access Date: 4 August 2016. <http://fazenda.gov.br/noticias/2016/maio/fazenda-apresenta-proposta-de-convalidacao-de-beneficios-fiscais>.

⁷¹⁴ Ministry of Finance amending procedures for the collection of FGTS, Ministry of Finance (Brasilia) 8 May 2016. Access Date: 4 August 2016. <http://fazenda.gov.br/noticias/2016/agosto/ministerio-da-fazenda-altera-procedimentos-para-recolhimento-dos-recursos-do-fgts>.

⁷¹⁵ 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>.

⁷¹⁶ 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>.

⁷¹⁷ 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>.

⁷¹⁸ 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>.

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.⁷¹⁹ The personal income tax rate will be cut from 22 per cent to 20.5 per cent.⁷²⁰ 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.⁷²¹ 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.⁷²² 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 2016.⁷²³

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.⁷²⁴

On 10 February 2016, Canada signed a Foreign Investment Promotion and Protection Agreement (FIPA) with Hong Kong.⁷²⁵

On 2 March 2016, Prime Minister Justin Trudeau announced two initiatives that will support Canada's transition to a low-carbon economy including strategic investments in clean growth and infrastructure. The Prime Minister announced CAN75 million in new funding to the Federation of Canadian Municipalities to help local governments reduce emissions and build climate resiliency at the municipal level. The Prime Minister also announced that the Government of Canada will invest CAN50 million to improve climate resilience in building and infrastructure codes across Canada.⁷²⁶

On 22 March 2016, the Government of Canada's first federal budget, Growing the Middle Class, since the 2015 federal election was tabled. Among other things it announced CAN120 billion in new investments in infrastructure over the next decade, to be divided into two phases.⁷²⁷ Phase 1 will provide CAN11.9 billion over 5 years to be invested immediately on modern and reliable public

⁷¹⁹ 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>.

⁷²⁰ 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>.

⁷²¹ 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>.

⁷²² 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>.

⁷²³ 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>.

⁷²⁴ 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>.

⁷²⁵ 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>.

⁷²⁶ Prime Minister Announces Significant New Investments in Climate Resilience, Prime Minister of Canada Justin Trudeau (Vancouver) 2 March 2016. Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/03/02/prime-minister-announces-significant-new-investments-climate-resilience>

⁷²⁷ Minister Morneau's First Budget Restores Hope for the Middle Class, Department of Finance (Ottawa) 22 March 2016. Access Date: 16 July 2016. <http://www.fin.gc.ca/n16/16-032-eng.asp>

transit, on water and wastewater systems, on affordable housing and on retrofits and repairs to protect existing projects from the effects of climate change.⁷²⁸ Specifically, CAN3.4 billion over three years for public transit through the Public Infrastructure Fund; CAN5 billion over five years for green infrastructure to help protect the vitality of our lakes and rivers and ensure the quality of our drinking water; and CAN3.4 billion over five years for affordable housing, early learning and child care and cultural and recreational infrastructure.⁷²⁹ Phase 2 will look to invest in infrastructure which will result in a more modern, cleaner economy, more inclusive society and an economy better positioned to capitalize on the potential of global trade.⁷³⁰

On 5 April 2016, Finance Minister Bill Morneau announced CAN22 million in investments to support ferry services in Atlantic Canada. This announcement comes as a part of the new Government's first budget, Growing the Middle Class.⁷³¹

On 5 April 2016, Parliamentary Secretary to the Minister of Finance, Francois-Philippe Champagne, announced targeted investments in skills and training as part of the Government's budget, Growing the Middle Class, including CAN175 million in the Labour Market Development Agreements and the Canadian Job Fund Agreements for 2016 to 2017.⁷³²

On 15 April 2016, Prime Minister Justin Trudeau announced that the Government of Canada will invest CAN50 million over five years in Waterloo's Perimeter Institute, a leading centre for scientific research, training and educational outreach in foundational theoretical physics founded in 1999.⁷³³

On 16 June 2016, Prime Minister Justin Trudeau announced that CAN460 million from the Government of Canada will be provided to the Province of British Columbia to help make sure that public transit infrastructure is keeping pace with the rapid growth within the province. Funding will help modernize public transit systems as well as rapid transit and provincial bus systems. This is part of the CAN120 billion for infrastructure was announced in the 2016 budget, Growing the Middle Class.⁷³⁴

On 23 June 2016, Royal Assent was given for the Budget Implementation Act which includes a new Canada Child Benefit, which will be paid monthly to eligible families, beginning in July 2016. It will provide a maximum annual benefit of up to CAN6,400 per child under the age of 6 and up to CAN5,400 per child aged 6 through 17. Families with less than CAN30,000 in net income will receive the maximum benefit. Families whose children qualify for the disability tax credit can receive

⁷²⁸ Strengthening the Middle Class, Department of Finance (Ottawa) Access Date: 1 July 2016.

<http://www.budget.gc.ca/2016/docs/themes/middle-class-classe-moyenne-en.pdf>

⁷²⁹ Minister Morneau Take Middle Class Message to Ottawa Business Leaders Department of Finance (Ottawa) 23 March 2016. Access Date: 16 July 2016. <http://www.fin.gc.ca/n16/16-033-eng.asp>

⁷³⁰ Strengthening the Middle Class, Department of Finance (Ottawa) Access Date: 1 July 2016.

<http://www.budget.gc.ca/2016/docs/themes/middle-class-classe-moyenne-en.pdf>

⁷³¹ Minister Morneau Announces New Investments to Support Ferry Services in Atlantic Canada Department of Finance (Sydney, NS) 5 April 2016. Access Date: 16 July 2016. <http://www.fin.gc.ca/n16/16-044-eng.asp>

⁷³² Parliamentary Secretary Francoi-Philippe Champagne Announces Investments in Skills and Training in Southwestern Ontario Department of Finance (London, ON) 5 April 2016. Access Date: 16 July 2016. <http://www.fin.gc.ca/n16/16-045-eng.asp>

⁷³³ Prime Minister Announces Significant Investment for Perimeter Institute, Prime Minister of Canada Justin Trudeau (Waterloo, ON) 15 April 2016. Access Date 16 July 2016. <http://pm.gc.ca/eng/news/2016/04/15/prime-minister-announces-significant-investment-perimeter-institute>

⁷³⁴ Prime Minister Announces New Infrastructure Agreement with British Columbia, Prime Minister of Canada Justin Trudeau (Burnaby, BC) 16 June 2016, Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/06/16/prime-minister-announces-new-infrastructure-agreement-british-columbia>

an additional amount as part of their Canada Child Benefit, up to a maximum annual benefit of CAN2,730 per child for the disability tax credit.⁷³⁵

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁷³⁶

On 29 June 2016, Prime Minister Justin Trudeau, President Barack Obama, and President Enrique Peña Nieto issued a statement following the North American Leaders' Summit. The leaders commitments to several projects to promote environmentalism and clean energy saying, "Together, we estimate that the development of current and future projects and policies to achieve this goal will create thousands of clean jobs and support of our vision for a clean growth economy."⁷³⁷ The three countries will continue to strengthen the North American Cooperation on Energy Information platform, by including additional geospatial information relating to cross-border infrastructure and renewable energy resources.⁷³⁸

Furthermore, the countries announced several new projects to progress previous commits to develop an integrated North American transportation network. They committed to: accelerating deployment of clean vehicles in government fleets; working collaboratively with industry to encourage the adoption of clean vehicles by identifying initiatives to support consumer choice; encouraging public and private infrastructure investments to establish North American refuelling corridors for clean vehicles; working to align applicable regulations, codes and standards where appropriate; fostering research, development, and demonstration activities for new clean technologies; convening industry leaders and other stakeholders by spring 2017 as part of a shared vision for a competitive and clean North American automotive sector.⁷³⁹

On 5 July 2016, Prime Minister Justin Trudeau confirmed the ratification of the Canada-Quebec Agreement on the Public Transit Infrastructure Fund and the Clean Water and Wastewater Fund. The agreement will allow Quebec municipalities and public transit organizations to access more than CAN1.2 billion in federal funding over the next three years to implement projects in all regions of Quebec, CAN924 million of which is earmarked for public transit projects and CAN364 million of

⁷³⁵ Prime Minister Announces Increase Support for Million of Canadian Families, Prime Minister of Canada Justin Trudeau (Montreal) 23 June 2016. Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/06/23/prime-minister-announces-increased-support-millions-canadian-families>

⁷³⁶ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>

⁷³⁷ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁷³⁸ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁷³⁹ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

which is earmarked for projects related to clean water and wastewater treatment. This is part of the CAN120 billion for infrastructure announced in the 2016 budget, Growing the Middle Class.⁷⁴⁰

On 11 July 2016, Prime Minister Trudeau signed the Canada-Ukraine Free Trade Agreement (CUFTA).⁷⁴¹

On 15 July 2016, Prime Minister Justin Trudeau announced funding of CAN582.9 million to construct the southwest portion of the Calgary Ring Road. This is part of the CAN120 billion for infrastructure announced in the 2016 budget, Growing the Middle Class.⁷⁴²

Canada has made 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, created programs to assist families and made significant investments in transportation infrastructure.

Thus, Canada has received a score of +1.

Analyst: Lauren Dalglish

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.⁷⁴³

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.⁷⁴⁴ The guideline is aimed at "promoting consumption in care for the elderly"⁷⁴⁵ and "encouraging people to spend more on education, culture, and sports."⁷⁴⁶

⁷⁴⁰ The Prime Minister of Canada and the Premier of Quebec Announce a New Infrastructure Agreement, Prime Minister of Canada Justin Trudeau (Montreal) 5 July 2016. Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/07/05/prime-minister-canada-and-premier-quebec-announce-new-infrastructure-agreement>

⁷⁴¹ Canada Signs Landmark Free Trade Agreement with Ukraine, Prime Minister of Canada Justin Trudeau (Kyiv, Ukraine) 11 July 2016. Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/07/11/canada-signs-landmark-free-trade-agreement-ukraine>

⁷⁴² The Prime Minister of Canada and the Premier of Alberta Announce New Major Infrastructure Funding, Prime Minister of Canada Justin Trudeau (Calgary) 15 July 2016. Access Date: 16 July 2016. <http://pm.gc.ca/eng/news/2016/07/15/prime-minister-canada-and-premier-alberta-announce-new-major-infrastructure-funding>

⁷⁴³ 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>

⁷⁴⁴ 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

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.⁷⁴⁷ 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.⁷⁴⁸

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.⁷⁴⁹ They will provide more support for "industries as they are being encouraged to transform themselves amid the country's industrial upgrades."⁷⁵⁰

On 17 February 2016, the State Council issued a guideline to provide more support for the poor to meet basic needs.⁷⁵¹ This guideline will allow eligible people to receive basic necessities from the government as well as basic care services as needed.⁷⁵²

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.⁷⁵³ This decision is intended to accelerate the process of scientific findings and to promote scientific innovation.⁷⁵⁴

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."⁷⁵⁵

On 19 April 2016, the State Council released a circular, which put forward quality improvement measures for supply-side structural reform in 2016.⁷⁵⁶ The measures include supporting technical innovation in key areas, enhancing the legal system, and optimizing the environment.⁷⁵⁷

⁷⁴⁵ 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.

⁷⁴⁶ 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.

⁷⁴⁷ 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.

⁷⁴⁸ 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.

⁷⁴⁹ 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.

⁷⁵⁰ 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.

⁷⁵¹ 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.

⁷⁵² 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.

⁷⁵³ 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.

⁷⁵⁴ 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.

⁷⁵⁵ 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.

On 4 July 2016, the General Office of the State Council issued a circular urging governments at all levels to promote the healthy development of private investment.⁷⁵⁸ The circular stated that private economy made up 60 per cent of China's GDP.⁷⁵⁹

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, 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: +1

France 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.

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;⁷⁶⁰

According to the National Reform Package 2016, the Government of France has implemented many cost and non-cost competitive policies to help boost the productivity of French businesses. The Package extends the research tax credit (CIR), adopted in 2008. Furthermore, industrial policy has been reviewed to give priority to nine industrial solutions; clusters are also undergoing change to bring them more into line with industrial priorities. To support recovery in investment, a higher depreciation allowance scheme was introduced in 2015 and extended by one year in 2016.⁷⁶¹

In February 2013, to support cost competitiveness, France adopted the Tax Credit for Competitiveness and Jobs or CICE, under which firms can seek a tax credit of six per cent of their wage bill on salaries worth up to two and a half times the minimum wage. The aim was to restore French firms' profitability, among the lowest in Europe, and in turn encourage them to ramp up

⁷⁵⁶ Quality upgrades to help structural reform, The State Council (Beijing), 19 April 2016. Access Date: 12 July 2016. http://english.gov.cn/policies/latest_releases/2016/04/19/content_281475330923286.htm.

⁷⁵⁷ Quality upgrades to help structural reform, The State Council (Beijing), 19 April 2016. Access Date: 12 July 2016. http://english.gov.cn/policies/latest_releases/2016/04/19/content_281475330923286.htm.

⁷⁵⁸ State Council urges effective implementation of private investment policies, The State Council (Beijing), 4 July 2016. Access Date: 12 July 2016. http://english.gov.cn/policies/latest_releases/2016/07/04/content_281475385792237.htm.

⁷⁵⁹ State Council urges effective implementation of private investment policies, The State Council (Beijing), 4 July 2016. Access Date: 12 July 2016. http://english.gov.cn/policies/latest_releases/2016/07/04/content_281475385792237.htm.

⁷⁶⁰ "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>.

⁷⁶¹ National Reform Package 2016, Minister preimer Access Date: 3 October 2016. http://ec.europa.eu/europe2020/pdf/csr2016/nrp2016_france_en.pdf

their investments.⁷⁶² The Responsibility and Solidarity Pact, being implemented as part of CICE took effective in 2014.⁷⁶³ Employers' contributions have been lowered for 90 per cent of employees, thus covering all sectors exposed to international competition. And the corporate social solidarity contribution (C3S) has been phased out for 90 per cent of businesses liable to the tax, including VSEs, SMEs and most mid-tier companies (ETI). In total in 2016, companies are eligible for EUR34 billion in tax and social security contribution relief, enabling them to restore their margins, invest and hire.⁷⁶⁴

On 6 August 2015, the Growth, Economic Activity and Equal Economic Opportunity Act

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.⁷⁶⁵

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).⁷⁶⁶

On 31 March 2016, Nicolas Dufourcq, head of Bpifrance SA, a wealth fund, announced that EUR6.5 billion in funding is available for start-ups and innovative technology companies citing commitments from public and private investors. That's enough to cover financing needs for start-ups over the next three years in the country. "The years 2016, 2017 and even 2018 are very well covered," he said. The state-backed fund and lender has spearheaded the French government's push to attract investments for start-ups by providing subsidies, loans and capital in recent years. It plans to invest EUR200 million this year to buy directly into innovative biotechnology, Internet and so-called "clean tech" companies, up from EUR169 million last year, Dufourcq said.

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁷⁶⁷

⁷⁶² Hollande's tax boost for French firms yields 100,000 jobs: study, Reuters 29 September 2016. Access Date: 3 October 2016. <http://www.reuters.com/article/us-france-economy-tax-idUSKCN11Z27W>

⁷⁶³ The dynamic of the Responsibility and Solidarity Pact is picking up speed, The Government of France 14 December 2014. <http://www.gouvernement.fr/en/the-dynamic-of-the-responsibility-and-solidarity-pact-is-picking-up-speed>

⁷⁶⁴ A STRATEGY TO MEET OUR COMMITMENTS OVER TIME 2016-2019 STABILITY PROGRAMME, Ministère de Bercy (2015) http://www.economie.gouv.fr/files/files/PDF/PSTAB2016-Digest_english.pdf

⁷⁶⁵ "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>

⁷⁶⁶ "Le choc de simplification" Gouvernement.fr (Paris) 2016. Access Date: 26 February 2016. <http://www.gouvernement.fr/action/le-choc-de-simplification>

⁷⁶⁷ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>

On 5 July 2016, France's President, François Hollande pushed new labour legislation through government. The legislation is intended to cut France's 10 per cent unemployment rate. The legislation is predicted to make it easier for companies to hire and let go of employees.⁷⁶⁸

France has made progress towards implementing all fiscal policy measures stated within its comprehensive growth strategy.

Thus, France has received a score of +1.

Analysts: Emile Lavergne, Alessandra Harkness and Phil Gazaleh

Germany: +1

Germany 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.

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.⁷⁶⁹

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.⁷⁷⁰ 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 2015.⁷⁷¹ 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 2015.⁷⁷²

On 13 January 2016, the German Finance Ministry presented the 2015 provisional accounts which demonstrated that the 2015 federal budget required no new borrowing.⁷⁷³ The Ministry also set aside a reserve of EUR12.1 billion from the budget surplus, of which it plans to allocate EUR7.2 billion

⁷⁶⁸ "French government forces labour law through parliament, shrugs off protests" Reuters (Paris) 5 July 2016. Access Date: 29 July 2016. <http://www.reuters.com/article/us-france-politics-protests-idUSKCN0ZL0TM>.

⁷⁶⁹ 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>

⁷⁷⁰ 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>.

⁷⁷¹ 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>

⁷⁷² 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>

⁷⁷³ 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.

for costs related to the reception and accommodation of asylum-seekers and refugees.⁷⁷⁴ 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 German economy.⁷⁷⁵ 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.⁷⁷⁶ 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 2014.⁷⁷⁷

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.⁷⁷⁸ This demonstrates commitment to additional public investment in infrastructure spending.

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁷⁷⁹

On 6 July 2016, the German cabinet adopted the draft 2017 federal budget, which does not include any additional debt and plans to increase federal investment expenditure.⁷⁸⁰

On 21 July 2016, the government released the July report where the Federal Ministry of Finance noted that government investment rose by 19.5 per cent on the year, and that federal expenditure

⁷⁷⁴ 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.

⁷⁷⁵ 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.

⁷⁷⁶ 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.

⁷⁷⁷ 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.

⁷⁷⁸ "Federal Ministry of Finance Monthly report for February 2016," Federal Ministry of Finance (Germany) 19 February 2016. Access Date: 23 February 2016.

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

⁷⁷⁹ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>.

⁷⁸⁰ Federal Ministry of Finance - Draft 2017 budget and financial plan to 2020, Federal Ministry of Finance, 7 July 2016. Access date 28 July 2016. <http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Public-Finances/Articles/2016-07-07-Draft-2017-budget-and-financial-plan-2020.html>.

rose by 2.2 per cent on the year. In the first half of 2016, federal revenues exceed expenditures by EUR4.9 billion.⁷⁸¹

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: +1

India 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.

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 (FDI) in certain sectors of the economy;
- Inclusive growth.⁷⁸²

On 21 December 2015, the Indian government introduced the Insolvency and Bankruptcy Code 2015.⁷⁸³ This legal framework is designed to encourage entrepreneurship by solving insolvency and bankruptcy cases in a timely manner.⁷⁸⁴

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.”⁷⁸⁵

On 29 December 2015, the government set up a INR40,000 crore National Investment and Infrastructure Fund (NIIF).⁷⁸⁶

On 2 February 2016, the Indian national government announced the creation of the Tax Policy Research Unit (TPRU) and the Tax Policy Council.⁷⁸⁷ The Tax Policy Research Unit will “carry-out

⁷⁸¹ Federal Ministry of Finance Monthly Report for July 2016, Federal Ministry of Finance (Germany) 21 July 2016. Access date 22 July 2016.

http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Press_Room/Publications/Monthly_Report/Abstract/2016-07-english-version.html;jsessionid=296258E7B3399A1E4AE3F14C8328C0AF.

⁷⁸² Adjusted Growth Strategy: India, G20 Turkey (Antalya) October 2015. Date of Access: 20 February 2016. <http://g20.org.tr/wp-content/uploads/2015/11/Adjusted-Growth-Strategy-2015-India.pdf>.

⁷⁸³ 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/>.

⁷⁸⁴ 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/>.

⁷⁸⁵ 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>.

⁷⁸⁶ 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>.

studies on various topics of fiscal and tax policies.”⁷⁸⁸ The Tax Policy Council will also consider research findings from the TPRU and “suggest broad policy measures for taxation.”⁷⁸⁹

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.⁷⁹⁰

On 15 February 2016, Economic Secretary to the UK 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.⁷⁹¹

On 20 June 2016, India’s government relaxed foreign direct investment restrictions in certain sectors, such as retail, defence, and civil-aviation.⁷⁹² Prime Minister Modi believes this will be a major driving force in job creation and infrastructure development.

On 20 June 2016, Prime Minister Modi set deadlines for several ministries to complete stages of their infrastructure plans to increase infrastructure investment and speed up development.⁷⁹³

On 6 July 2016, Rural Development Minister Narendra Tomar promised to focus on inclusive development as he believes the development of India depends on the advancement of its rural areas.⁷⁹⁴

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

Thus, India has received a score of +1.

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.

⁷⁸⁷ 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.

⁷⁸⁸ 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.

⁷⁸⁹ 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.

⁷⁹⁰ 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>.

⁷⁹¹ 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>.

⁷⁹² India Relaxes Foreign Direct Investment Rules, Wall Street Journal (New Delhi) 20 June 2016. Access Date: 22 July 2016. <http://www.wsj.com/articles/india-relaxes-foreign-direct-investment-rules-1466434994>.

⁷⁹³ PM Narendra Modi sets infrastructure targets for ministries to speed up action, The Economic Times (New Delhi) 20 June 2016. Access Date: 22 July 2016. <http://economictimes.indiatimes.com/news/economy/infrastructure/pm-narendra-modi-sets-infrastructure-targets-for-ministries-to-speed-up-action/articleshow/52824948.cms>.

⁷⁹⁴ Will take steps for country’s inclusive growth: Tomar, India Today (New Delhi) 6 July 2016. Access Date: 22 July 2016. <http://indiatoday.intoday.in/story/will-take-steps-for-countrys-inclusive-growth-tomar/1/709181.html>.

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;
- Maintain a budget deficit of no more than 3 per cent of GDP;
- Keep the debt to GDP ratio at a sustainable level;
- Refocus government programs to more productive sectors;⁷⁹⁵

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 (LPG).⁷⁹⁶

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.⁷⁹⁷ If approved, the amnesty plan could entice Indonesian tycoons to bring money stashed in other countries back to Indonesia, potentially bringing in IDR60 trillion (US4.4 billion) in revenue for the government.⁷⁹⁸

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.⁷⁹⁹ The government's projection was US50 per barrel when the budget was made, and the revision will account for a price of US30 per barrel.⁸⁰⁰ 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.⁸⁰¹ The 2015 budget deficit was the largest in 25 years, reaching 2.78 per cent.⁸⁰²

While debt to GDP ratio remains at 27 per cent, no specific actions have been taken to keep the ratio at this level.⁸⁰³

⁷⁹⁵ 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>.

⁷⁹⁶ 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>.

⁷⁹⁷ 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>.

⁷⁹⁸ 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>.

⁷⁹⁹ 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>.

⁸⁰⁰ 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>.

⁸⁰¹ 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>.

⁸⁰² 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>.

On 1 July 2016, President Widodo officially inaugurated the Tax Amnesty Law, which is expected to incentivise tax evaders to return funds from overseas, placing them into the real estate and financial sectors.⁸⁰⁴ The government aims to collect more revenue using this law and thus keep the budget deficit for 2016 at 2.35 per cent of GDP, a figure revised from 2.19 per cent proposed earlier.⁸⁰⁵

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, keep the budget deficit at 3 per cent of GDP and create a larger fiscal space through improvement in the state budget structure. No action has been taken to keep the debt to GDP ratio on a sustainable path, 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.⁸⁰⁶

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.⁸⁰⁷

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.⁸⁰⁸

⁸⁰³ 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>.

⁸⁰⁴ Jokowi Kicks Off Tax Amnesty Program. The Jakarta Post (Jakarta). 1 July 2016. Access Date: 13 July 2016.

<http://www.thejakartapost.com/news/2016/07/01/jokowi-kicks-off-tax-amnesty-program.html>

⁸⁰⁵ Revised State Budget Passed Without Objections. The Jakarta Post (Jakarta). 29 June 2016. Access Date: 13 July 2016.

<http://www.thejakartapost.com/news/2016/06/29/revised-state-budget-passed-without-objections.html>

⁸⁰⁶ 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>.

⁸⁰⁷ 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

⁸⁰⁸ 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_relazi oni/Guidelines_for_public_debt_management_2016.pdf.

On 1 January 2016, the Italian Stability law of 2016 came into effect.⁸⁰⁹ This law aims to reduce the tax burden on workers, households, and businesses.⁸¹⁰ This amounts to an overall tax relief of around EUR3.5 billion.⁸¹¹ The 2016 Stability Law also provides for a reduction in corporate income tax 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.⁸¹² 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 2017.⁸¹³

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.⁸¹⁴

On 28 January 2016, Italy passed new legislation aimed at increasing administrative cooperation for the mutual recognition of academic degrees at the EU 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.⁸¹⁵

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.⁸¹⁶

On 11 April 2016, Prime Minister Matteo Renzi and Finance Minister Pier Carlo Padoan announced the creation of a rescue fund. Italy's strongest banks, insurers and asset managers have agreed to create a EUR5 billion backstop fund to bail out weaker lenders in an effort to calm growing investor concern about the stability of the banking sector of the Eurozone's third-largest economy.⁸¹⁷

On 18 May 2016, the European Commission issued a report noting that Italy did not make sufficient progress towards compliance with the debt rule in 2015, but concluded that the debt criterion should be considered as complied with. The report proposed acceleration of the

⁸⁰⁹ 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.

⁸¹⁰ 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>.

⁸¹¹ 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.

⁸¹² 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.

⁸¹³ 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.

⁸¹⁴ 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

⁸¹⁵ 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/>

⁸¹⁶ 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>.

⁸¹⁷ Italy agrees €5bn fund to rescue weaker lenders, Financial Times 12 April 2016. Access Date: 7 July 2016 <https://next.ft.com/content/bae1eff2-003e-11e6-ac98-3c15a1aa2e62>

privatisation programme to reduce the general government debt ratio and to achieve an annual fiscal adjustment of at least 0.6 per cent of GDP towards the budgetary objective in 2017.⁸¹⁸

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁸¹⁹

On 11 July 2016 the privatization of the Italian air traffic control operator began with the offer of shares corresponding to 42.5 per cent of the share capital of the company. The Ministry of the Economy noted that the offering raised EUR759 million designed to reduce public debt.⁸²⁰ Further privatization of the Italian Post Office is expected in 2016, with an expected income for the state of around EUR2 billion.⁸²¹

On 15 July 2016, the Bank of Italy updated Macroeconomic GDP projections, estimating growth at a little under 1 per cent in 2016, and around 1 per cent in 2017.⁸²²

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 deficit to GDP ratio 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.⁸²³

⁸¹⁸ European Commission Country Report 2016, 18 May 2016. Access Date 22 July 2016.

http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_italy_en.pdf

⁸¹⁹ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>.

⁸²⁰ ENAV IPO ends with final price offer set at EUR3.3, requests 8 times the offer, *Il Sole 24 Ore*, July 22 2016. Access Date 22 July 2016. <http://www.italy24.ilsole24ore.com/art/markets/2016-07-21/enav-134025.php?uuiid=ADxjSzv>.

⁸²¹ Economy Minister Padoan confirms the sale of another 30% of Poste, expecting to ripe about €2 bn, *Il Sole 24 Ore*, 20 July 2016. Access Date 22 July 2016. <http://www.italy24.ilsole24ore.com/art/markets/2016-07-19/coorelato-poste-192119.php?uuiid=ADkCBv>.

⁸²² Bank of Italy Macroeconomic Projections, Bank of Italy, 15 July 2016. Access Date: 21 July 2016. https://www.bancaditalia.it/pubblicazioni/proiezioni-macroeconomiche/2016/en-estratto-boleco-3-2016.pdf?language_id=1.

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.⁸²⁴

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.⁸²⁵

On 22 February 2016, the Small and Medium Enterprise Agency (SMEA) of Japan started its strengthened program of support for SMEs and micro businesses.⁸²⁶ 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.⁸²⁷

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁸²⁸

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:

⁸²³ Comprehensive 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>.

⁸²⁴ Cabinet 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>.

⁸²⁵ Japan 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>.

⁸²⁶ SMEA 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.

⁸²⁷ SMEA 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.

⁸²⁸ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>

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- 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.);
 - Develop three tax schemes to increase household incomes.⁸²⁹

On 6 December 2015, the Korean government announced that the peak wage system will be fully adopted in the public sector next year.⁸³⁰ 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.⁸³¹ 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 3 years.⁸³²

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.⁸³³

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 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.⁸³⁴

On 3 February 2016 the 2nd 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-

⁸²⁹ 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.

⁸³⁰ 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>

⁸³¹ 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>

⁸³² 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>

⁸³³ 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>.

⁸³⁴ 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>.

on-year.⁸³⁵ The measures also include KRW15.5 trillion in lending by policy banks during the first quarter.⁸³⁶ 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.⁸³⁷ The government estimates the latest measures would lift economic growth for the January-March period by 0.2 percentage points on a quarter-on-quarter basis.

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.⁸³⁸ Measures include efforts to restart suspended projects, to grow promising service markets, to enhance farming sector competitiveness, and to attract investment in the Saemangeum area.⁸³⁹

On 27 April 2016, the government unveiled a new round of measures to increase jobs for young adults and women, which focuses on improving job matching and increasing the effectiveness of the current employment support.⁸⁴⁰ For example, a total of 9,400 job training and internship opportunities will be made available in 17 public institutions and 16 large enterprises in 2016.⁸⁴¹

On 14 July 2016, the government announced its plan to reform public institutions in the energy, environment and education sectors.⁸⁴² The plan deals with reforming the current functions and capacities in order to ensure that public enterprises focus on the core competencies to provide high-quality services and boost management efficiency. Five public institutions will be subject to M&As, two will undergo restructuring and twenty-nine will adjust their business models.⁸⁴³ The government will minimize layoffs by promoting workforces to transfer to the companies where their jobs are moved, and will prepare measures to help change jobs.⁸⁴⁴

On 22 July 2016, the government drew up a supplementary budget proposal worth 11 trillion won in order to support the restructuring of the shipbuilding industry and prepare for shocks to the job

⁸³⁵ 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>.

⁸³⁶ 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>.

⁸³⁷ 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>.

⁸³⁸ 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>.

⁸³⁹ 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>.

⁸⁴⁰ Press Center: Government to Improve Job Matching while Increasing Support Effectiveness, Ministry of Strategy and Finance (Seoul) 27 April 2016. Access Date: 25 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4060&bPage=3>.

⁸⁴¹ Press Center: Government to Improve Job Matching while Increasing Support Effectiveness, Ministry of Strategy and Finance (Seoul) 27 April 2016. Access Date: 25 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4060&bPage=3>.

⁸⁴² Press Center: Government Unveils its Plans to Reform Public Institutions in Energy, Environment and Education Sectors, Ministry of Strategy and Finance (Seoul) 14 June 2016. Access Date: 25 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4092&bPage=2>.

⁸⁴³ Press Center: Government Unveils its Plans to Reform Public Institutions in Energy, Environment and Education Sectors, Ministry of Strategy and Finance (Seoul) 14 June 2016. Access Date: 25 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4092&bPage=2>.

⁸⁴⁴ Press Center: Government Unveils its Plans to Reform Public Institutions in Energy, Environment and Education Sectors, Ministry of Strategy and Finance (Seoul) 14 June 2016. Access Date: 25 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4092&bPage=2>.

market following the restructuring.⁸⁴⁵ The supplementary budget includes 1.2 trillion won of budget expenditures which will be used to redeem government debt.⁸⁴⁶ The redemption will reduce the government debt by 0.8 percentage points from 40.1 percent to GDP to 39.3 percent.⁸⁴⁷

On 25 July 2016, the government drew up the 2016 tax revision bill to stimulate the economy, support the working class and SMEs, and pursue fair taxation.⁸⁴⁸ It will adopt a negative list approach to support job creation and investments to stimulate the economy, and it will extend the income tax deduction for credit card payments until the end of 2019 to support the working class.⁸⁴⁹

According to figures from Statistics Korea, the country's youth jobless rate has set a record monthly high in recent months, standing at 10.3 percent in June.⁸⁵⁰ Despite the 57 job programs for young people that cost more than KRW2 trillion, many of them failed to bring the expected results.⁸⁵¹ Furthermore, young people hired through state-funded programs tend to receive lower wages and over 42 per cent of workers work on an irregular and temporary basis, compared to 30 per cent for other employees.⁸⁵²

Korea has taken some actions to implement fiscal policy measures stated within its comprehensive growth strategy, including policies to grow its gross domestic product, invest in infrastructure, reduce unemployment, and to improve its tax schemes, but it has not fully addressed its regulatory system commitments.

Thus, Korea has received a score of 0.

Analyst: Jiayang Shan

Mexico: +1

Mexico 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.

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;

⁸⁴⁵ Press Center: Supplementary Budget Drawn Up to Support Industrial Restructuring and Job Creation, Ministry of Strategy and Finance (Seoul) 22 July 2016. Access Date: 27 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4121&bPage=1>.

⁸⁴⁶ Press Center: Supplementary Budget Drawn Up to Support Industrial Restructuring and Job Creation, Ministry of Strategy and Finance (Seoul) 22 July 2016. Access Date: 27 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4121&bPage=1>.

⁸⁴⁷ Press Center: Supplementary Budget Drawn Up to Support Industrial Restructuring and Job Creation, Ministry of Strategy and Finance (Seoul) 22 July 2016. Access Date: 27 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4121&bPage=1>.

⁸⁴⁸ Press Center: 2016 Revision Focuses on Boosting Investment and Promoting Employment (Seoul) 28 July 2016. Access Date: 29 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4125&bPage=1>.

⁸⁴⁹ Press Center: 2016 Revision Focuses on Boosting Investment and Promoting Employment (Seoul) 28 July 2016. Access Date: 29 July 2016. <http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=4125&bPage=1>.

⁸⁵⁰ Youth employment policy gets nowhere, The Korea Herald (Seoul) 27 July 2016. Access Date: 29 July 2016. <http://www.koreaherald.com/view.php?ud=20160727000696>.

⁸⁵¹ Youth employment policy gets nowhere, The Korea Herald (Seoul) 27 July 2016. Access Date: 29 July 2016. <http://www.koreaherald.com/view.php?ud=20160727000696>.

⁸⁵² Youth employment policy gets nowhere, The Korea Herald (Seoul) 27 July 2016. Access Date: 29 July 2016. <http://www.koreaherald.com/view.php?ud=20160727000696>.

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- Execute the National Infrastructure Program 2014-2018;
 - Strengthen the role of National Development Banks on Infrastructure and (small and medium enterprise) SME financing;
 - Foster investment in infrastructure through the Financial Reform Infrastructure Fund;
 - Responsible public finances to strengthen macroeconomic stability;⁸⁵³

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.⁸⁵⁴

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.⁸⁵⁵

On 4 February 2016, Mexico signed the Trans-Pacific Partnership Agreement (TPP).⁸⁵⁶

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.⁸⁵⁷

On 27 April 2016, the government enacted the Law on Financial Discipline of the States and Municipalities. The new law recommitments the country to ensuring macroeconomic stability and the responsible management of public finances. The law is intended to provide the states with more capabilities to ensure stable public finances. The two major goals of the law include: reducing the cost of funding local governments and lowering debt levels by disciplining states and municipalities that do not abide by budgets and financial regulations.⁸⁵⁸

On 24 June 2016, Mexico announced that it was taking concrete steps to maintain its macroeconomic strength. The government announced it would cut public spending by 31.715 million pesos. These spending cuts will be in the federal government. The Secretary of Finance and Public Credit, Dr. Luis Videgaray Caso stated that this decrease in public spending along with the surplus of the Bank of Mexico will "reduce the budget deficit."⁸⁵⁹

On 29 June 2016, Prime Minister Justin Trudeau, President Barack Obama, and President Enrique Peña Nieto issued a statement following the North American Leaders' Summit. The leaders commitments to several projects to promote environmentalism and clean energy saying, "Together, we estimate that the development of current and future projects and policies to achieve this goal will

⁸⁵³ "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>

⁸⁵⁴ "Mexico's New Energy Transition Law" Baker & McKenzie (Mexico) December 2015. Access Date: February 27 2016.

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

⁸⁵⁵ "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>

⁸⁵⁶ "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>

⁸⁵⁷ "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>

⁸⁵⁸ "Four advantages on the Law on Financial Discipline for States and Municipalities," Gob.mx (Mexico) April 2016.

Access Date: August 5 2016.

⁸⁵⁹ "Strengthening our macroeconomic stability and continuing to implement structural reforms are government

priorities," Gob.mx (Mexico) 24 June 2016. Access Date: 29 July 2016.

<https://www.gob.mx/presidencia/prensa/strengthening-our-macroeconomic-stability-and-continuing-to-implement-structural-reforms-are-government-priorities-epn>.

create thousands of clean jobs and support of our vision for a clean growth economy.”⁸⁶⁰ The three countries will continue to strengthen the North American Cooperation on Energy Information platform, by including additional geospatial information relating to cross-border infrastructure and renewable energy resources.⁸⁶¹

Furthermore, the countries announced several new projects to progress previous commits to develop an integrated North American transportation network. They committed to: accelerating deployment of clean vehicles in government fleets; working collaboratively with industry to encourage the adoption of clean vehicles by identifying initiatives to support consumer choice; encouraging public and private infrastructure investments to establish North American refuelling corridors for clean vehicles; working to align applicable regulations, codes and standards where appropriate; fostering research, development, and demonstration activities for new clean technologies; convening industry leaders and other stakeholders by spring 2017 as part of a shared vision for a competitive and clean North American automotive sector.⁸⁶²

Mexico has made progress towards implementing all fiscal policy measures stated within its comprehensive growth strategy. Mexico continues to implement changes in line with its Energy Reform and taken steps towards responsible public finances.

Thus, Mexico has received a score of +1.

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 SWF;
- Support SMEs through tax relief of newly-created enterprises;
- Enhance customs administration, exports, and access to foreign markets.⁸⁶³

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.⁸⁶⁴ Moreover, it reported that “the Russian Government

⁸⁶⁰ Leaders’ Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁸⁶¹ Leaders’ Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁸⁶² Leaders’ Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁸⁶³ 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>.

⁸⁶⁴ 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>.

has proposed a law offering 10 per cent profits tax rates for newly established Russian industrial enterprises.”⁸⁶⁵

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.⁸⁶⁶

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.⁸⁶⁷

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.⁸⁶⁸ Kirill Dmitriev, the CEO of the Russian Development Fund and co-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.”⁸⁶⁹

On 19 January 2016, Russia’s Economic Development Ministry announced that it expects that the volume of 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.⁸⁷⁰

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.⁸⁷¹

On 16 July 2016, during talks held between Russian President Vladimir Putin and the CEO of Royal Dutch Shell, Russia announced its intention to implement fiscal policy that will “encourage business to make long-term plans.”⁸⁷²

On 18 March 2016, the Federal Customs Service (FSC) of Russia proposed amendments to the “roadmap” on customs administration stipulating further reduction in the number of documents required for customs operations, including movement of goods across the border of the EEU (Eurasian Economic Union). The customs service proposed prohibiting to demand from participants of foreign economic activities the documents confirming compliance with the prohibitions and restrictions if the exporting member-state of the EEU had already confirmed compliance of the importer with its requirements. It was also planned to reduce the time frames for carrying out

⁸⁶⁵ 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>.

⁸⁶⁶ 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.

⁸⁶⁷ 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/.

⁸⁶⁸ 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/.

⁸⁶⁹ 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/.

⁸⁷⁰ 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>.

⁸⁷¹ 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/.

⁸⁷² “Putin: Russia ready for fiscal policy to encourage business for long-term planning, TASS (Moscow) 16 June 2016. Access Date: 27 July 2016. <http://tass.ru/en/economy/882477>.

customs operations. In case of e-declaration, an entrepreneur would be able to submit documents to the nearest customs body, regardless of the place of declaration. This measure will reduce the time frame for carrying out customs operations and the costs of the business.⁸⁷³ These measures have yet to be implemented and are subject to the approval of the federal government.

In 2016, Russia, as a member of the Eurasian Economic Union, continued its work on creating a “single window” mechanism at the union’s borders.⁸⁷⁴

Russia has made some progress towards implementing fiscal policy measures stated within its comprehensive growth strategy. It has demonstrated progress on measures to enhance the scale and efficiency of investments, the growth of SMEs, exports, access to foreign markets however, has not implemented changes to 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).⁸⁷⁵

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.⁸⁷⁶

⁸⁷³ The Federal Customs Service Will Establish Deadlines For Conducting A Cameral Customs Inspection, Agency for Strategic Initiatives 21 March 2016. Access date: 1 August 2016. https://asi.ru/eng/news/detail.php?ELEMENT_ID=49846

⁸⁷⁴ The Working Group’s Coordination Council on “single window” set priorities for 2016, Eurasian Commission 26 January 2016. Access date: 1 August 2016. <http://www.eurasiancommission.org/en/nae/news/Pages/28-01-2016-1.aspx>

⁸⁷⁵ “Antalya Action Plan,” G20 Antalya Cycle Report (Ankara), Access Date: February 20, 2016. <http://www.oecd.org/g20/summits/antalya/Antalya-Action-Plan.pdf>.

⁸⁷⁶ “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.⁸⁷⁷

In April, the Ministry of Labour announced that proper work conditions had fostered increased growth of Saudi women. They found that the industrial sector, employed 47,000 women and the country as a whole had increased female labour participation from 60,000 in 2009 to 471,000 in 2015.⁸⁷⁸

In March, the Technical Vocational Training Corporation announced that the number of applicants who had registered was over 33,000 on the first day of the program’s launch. Applicants into mobile repairs, followed by sales management.⁸⁷⁹

On 14 July 2016, the Ministry of Labour announced a new online service to ease regulations for the application process of SMEs, and receive certification for workplace standards with ease, the goal is to ease the burden on SMEs hiring capabilities within the state by reducing regulations.⁸⁸⁰

On 2 July 2016, Saudi Arabia announced plans to increase investment in the Chinese energy industry in hopes that “Saudi investments could increase to cover all Chinese provinces and that there was room to grow bilateral trade in both energy and other hydrocarbons products such as petrochemicals.”⁸⁸¹

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 and increased investments into small and medium enterprises (SME’s). However, no evidence was found of regional customs agreements with neighbouring Gulf States.

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;

⁸⁷⁷ “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.

⁸⁷⁸ “Work Environment attracts Saudi women in industrial sector,” Saudi Gazette (Riyadh), Access Date: July 23, 2016. <http://saudigazette.com.sa/saudi-arabia/work-environment-attracts-women-industrial-sector/>.

⁸⁷⁹ “33 thousand Saudi males and females registered in free-of-charge programs on 1st day launch,” Ministry of Labour (Riyadh), Access Date: July 23, 2016. https://portal.mol.gov.sa/en/News/news_153.

⁸⁸⁰ “New online service to get internal regulations approved,” Ministry of Labour (Riyadh), Access Date: July 23, 2016. https://portal.mol.gov.sa/en/News/news_336.

⁸⁸¹ Saudi Arabia keen to expand China energy investments, Reuters, 2 July 2016, Date Accessed: 20 July 2016 <http://www.reuters.com/article/us-saudi-china-oil-idUSKCN0Z107U>

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- Streamlining a national regulatory regime;
 - Employment tax incentives;
 - Facilitate international growth of South African firms;
 - Improve the overall investment atmosphere in the country.⁸⁸²

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.⁸⁸³

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.⁸⁸⁴

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 (SAR)” 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.⁸⁸⁵

On 1 April 2016, the Trade Invest Africa Initiative aims to be the arm of the DTI that coordinates and implements South Africa’s economic strategy for Africa, premised on the Development Integration approach. The initiative will focus on advancing the priorities for Africa set out in the Industrial Policy Action Plan (IPAP) and the National Export Strategy, as well as the opportunities uncovered through Continental trade negotiations. Trade Invest Africa will create a closer working relationship between the South African Government and the private sector to take advantage of export and investment opportunities on the African continent. Trade Invest Africa is mandated to contribute to increasing the levels of intra-Africa trade by facilitating South Africa’s exports of value-added goods and services, while creating sourcing relationships for imports from other African markets. Trade Invest Africa will facilitate for South African business all necessary services related to trade and investment on the African continent. The focus is specifically on medium to large export-ready companies that have identified the African continent as a key market for their products. Trade Invest Africa will assist these companies with market-entry strategies for markets in the rest of Africa.⁸⁸⁶

On 20 June 2016, the third SACU Ministerial Retreat was held in Muldersdrift, Johannesburg, South Africa. The Retreat was attended by the Ministers of Finance and Trade from all the Southern African Customs Union (SACU) Member States (Botswana, Lesotho, Namibia, South Africa and Swaziland). The objective of the Retreat was to provide an opportunity for the Ministers to reflect on how to move the SACU Agenda forward in accordance with a Roadmap which was approved by the SACU Heads of State and Government, in November 2015 in Windhoek, Namibia. The Retreat was

⁸⁸² 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>

⁸⁸³ 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>

⁸⁸⁴ 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>.

⁸⁸⁵ 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>.

⁸⁸⁶ Trade Invest Africa, Department of trade and Industry 1 April 2016. Access Date: 25 July 2016.

http://www.thedti.gov.za/trade_investment/trade_investment_Africa.jsp

further informed by the recent bilateral consultations undertaken by His Excellency Jacob G. Zuma, President of the Republic of South Africa, with the SACU Heads of State and Government, in his capacity as the Chair of the SACU Summit. The discussions focused on: Regional Industrial Development; Review of the Revenue Sharing Arrangement; Trade Facilitation; Development of SACU Institutions; Unified Engagement in Trade Negotiations; and Trade in Services.⁸⁸⁷

On 19 July 2016, David Lipton of the International Monetary Fund gave a speech at Witwatersrand University that South Africa has been making progress on their National Development Plan. The Employment Tax Incentive Act of 2016 has brought 270,000 youth into the workforce in its first year. Infrastructure spending has increased electricity output, with new power plants—including renewables feeding the national grid.⁸⁸⁸

Throughout 2016, the Department of Trade and Industry (the DTI) in collaboration with Provincial Stakeholders invite potential Exporters to attend a three day Introduction to Exporting Training. The purpose of the training is to prepare SMEs for the successful expansion of their businesses into international Markets. The process started with export awareness and now followed by Introduction to Exporting Training covering the following export skills: Basic concepts of Exporting; The Export Environment; Comprehensive Export Cycle; Introduction to Export Marketing; Introduction to Export Administration and Logistics; Introduction to Export Finance; Basic Cost and Incoterms; Incentives and Financial Support Available; and Cultural and Business Ethics about Foreign Countries. This training is geared to capacitate the companies to be export ready, preparing them to meaningfully exploit export opportunities.⁸⁸⁹

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 SME's, 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: +1

Turkey 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.

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 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 (ALMPs), developing for target groups and introducing conditionality for social benefits;

⁸⁸⁷ SACU Ministerial Retreat, Southern African Customs Union (SACU) 20 June 2016. Access Date: 25 July 2016. <http://www.sacu.int/docs/pr/2016/pr0620.pdf>

⁸⁸⁸ David Lipton, "Bringing South Africa's Economic Divide," The International Monetary Fund Speech, 19 July 2016. Access Date: July 22, 2016. <http://www.imf.org/en/News/Articles/2016/07/18/2015/SP071916-Bridging-South-Africas-Economic-Divide>

⁸⁸⁹ Invitation: Introduction to Exporting Training, DTI Access date: 25 July 2016. http://www.thedti.gov.za/invitations/Intro_Exporting2016.pdf

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- 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 WTO Trade Facilitation Agreement.⁸⁹⁰

On 10 December 2015, Prime Minister Ahmet Davuto lu announced a sweeping economic structural reform agenda to be completed within a year.⁸⁹¹ 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.⁸⁹² The latter takes a step towards achieving the first goal of increasing research and development expenditure to GDP ratio.

On 14 December 2015, negotiations resumed on Turkey’s accession to the EU, specifically discussing Chapter 17 — economic and monetary policy.⁸⁹³ 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 im ek, 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 2015.⁸⁹⁴

On 16 March 2016, Turkey ratified the new Trade Facilitation Agreement (TFA), becoming the 71st WTO member to do so. H. E. Ambassador Haluk Ilicak and Hüsnü Dilerme, Deputy Under-Secretary with the Turkish Ministry of Economy,⁸⁹⁵ presented their country’s instrument of acceptance to WTO Deputy Director-General Yi Xiaozhun.

⁸⁹⁰ 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>.

⁸⁹¹ 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.

⁸⁹² 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.

⁸⁹³ 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>.

⁸⁹⁴ 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>.

⁸⁹⁵ Turkey notifies acceptance of Trade Facilitation Agreement, WTO 16 march 2016. Access Date: 17 August 2016. https://www.wto.org/english/news_e/news16_e/fac_16mar16_e.htm

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

Thus, Turkey has received a score of +1.

Analyst: Trinh Theresa Do

United Kingdom: +1

The United Kingdom 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.

The UK 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.⁸⁹⁶

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.⁸⁹⁷ This fund will support businesses in the North that focus on investment, science, and arts.⁸⁹⁸

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 anticipated “making faster progress towards eliminating the deficit and paying down debt.”⁸⁹⁹ 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 2019-2020.⁹⁰⁰

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.⁹⁰¹ He announced a commitment to

⁸⁹⁶ 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>.

⁸⁹⁷ 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>

⁸⁹⁸ 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>

⁸⁹⁹ 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>.

⁹⁰⁰ 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>.

⁹⁰¹ 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>.

invest EUR70 billion to “transform travel in Wales and the UK.”⁹⁰² 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 2027.⁹⁰³

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.”⁹⁰⁴

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.⁹⁰⁵

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.⁹⁰⁶

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”⁹⁰⁷ to tackle this issue.

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 macroeconomic 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 reforms.”⁹⁰⁸ 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 2020.⁹⁰⁹

⁹⁰² 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>.

⁹⁰³ 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>.

⁹⁰⁴ 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>

⁹⁰⁵ 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>.

⁹⁰⁶ 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>.

⁹⁰⁷ 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>.

⁹⁰⁸ 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>.

⁹⁰⁹ 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>.

On 16 March 2016, UK's Chancellor of the Exchequer George Osborne has presented his Budget 2016 to the UK parliament in which it has been revealed that the oil and gas industry will be aided by tax cuts worth GBP1 billion. In his budget statement he said that the government believed in making the most of the UK's oil and gas resources and the industry which supports thousands of jobs. Osborne said: "The Oil and Gas sector employs hundreds of thousands of people in Scotland and across our country. In my Budget a year ago, I made major reductions to their taxes. But the oil price has continued to fall. So we need to act now for the long term. I am today cutting in half the Supplementary Charge on oil and gas from 20% to 10%. And I'm effectively abolishing Petroleum Revenue Tax too. Backing this key Scottish industry and supporting jobs right across Britain. Both of these major tax cuts will be backdated so they are effective from the 1st of January this year, and my HF the Exchequer Secretary will work with the industry to give them our full support."⁹¹⁰

On 16 May 2016, the Ministry of Defence announced a GBP55.7 million infrastructure contract for upgrades at Mount Pleasant on the Falkland Islands. This contract will upgrade Mount Pleasant's power station, boiler house and district heating system.⁹¹¹

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁹¹²

On 7 July 2016, the Department for Business, Innovation, and Skills announced a funding boost of GBP55.7 million for energy and infrastructure, biomedical and quantum technology sectors. Business Secretary Sajid Javid believes "creating opportunities for businesses to thrive in the UK is essential for increasing productivity, creating jobs, and boosting our economy."⁹¹³

On 8 July 2016, Skills Minister Nick Boles published the 'Post-16 skills plan,' which will replace thousands of courses with "15 straightforward routes into technical employment."⁹¹⁴ In the current system, students pursuing a technical education have to choose between 20,000 courses provided by 160 organizations without knowing which course will provide them with the best opportunity to secure a job.⁹¹⁵

⁹¹⁰ UK: Oil & gas tax cuts revealed in Budget 2016, Offshore Energy Today 16 March 2016.

<http://www.offshoreenergytoday.com/uk-oil-gas-tax-cuts-revealed-in-budget-2016/>

⁹¹¹ £55.7 million infrastructure contract signed for upgrades at Mount Pleasant, Department of Defence (London) 6 May 2016. Access Date: 17 July 2016. <https://www.gov.uk/government/news/557-million-infrastructure-contract-signed-for-upgrades-at-mount-pleasant>.

⁹¹² Statement of G7 Finance Ministers and Central Bank Governors, Bank of Canada (Ottawa) 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>.

⁹¹³ Government gives UK businesses £57m boost to bring ideas to market, Department for Business, Innovation, and Skills (London) 7 July 2016. Access Date: 17 July 2016. <https://www.gov.uk/government/news/government-gives-uk-businesses-57m-boost-to-bring-ideas-to-market>.

⁹¹⁴ Technical education overhaul unveiled by Skills Minister, Department for Business, Innovation, and Skills (London) 8 July 2016. Access Date: 17 July 2016. <https://www.gov.uk/government/news/technical-education-overhaul-unveiled-by-skills-minister>.

⁹¹⁵ Technical education overhaul unveiled by Skills Minister, Department for Business, Innovation, and Skills (London) 8 July 2016. Access Date: 17 July 2016. <https://www.gov.uk/government/news/technical-education-overhaul-unveiled-by-skills-minister>.

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

Thus, the United Kingdom has received a score of +1.

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 US 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 2020.⁹¹⁶

On 4 December 2015, President Obama signed the Fixing America’s Surface Transportation (FAST) Act, a day after it was approved by Congress.⁹¹⁷ This Act allocates USD305 billion for transit and highway spending through 2020, a total of five years.⁹¹⁸ 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 US failed to comply with this part of the commitment.

On 29 January 2016, the US 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 standard.⁹¹⁹ 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.⁹²⁰

On 9 February 2016, the US Department of the Treasury released the General Explanations of the Administration’s FY2017 Revenue Proposals, known as the “Greenbook.” The Greenbook details the revenue proposals included in the President’s FY 2017 Budget. For the Fiscal Year 2017, the Obama Administration’s budget proposal included reforming and expanding the secondary earner credit and expanding the child care tax credit; these proposals have yet to be acted upon.⁹²¹ Furthermore, the

⁹¹⁶ 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>.

⁹¹⁷ 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>.

⁹¹⁸ 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>.

⁹¹⁹ 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-idUSKCN0V7108>.

⁹²⁰ 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-idUSKCN0V7108>.

⁹²¹ FACT SHEET: Administration’s FY2017 Budget Proposals. U.S. Department of the Treasury. 9 February 2016. Access Date: 22 July 2016.

<https://www.treasury.gov/press-center/press-releases/Pages/jl0344.aspx>

budget, the America's College Promise (ACP) 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.⁹²²

On 24 June 2016, in response to Britain's referendum vote to leave the EU, the G7 finance ministers issued a statement respecting the decision and stating that "G7 central banks have taken steps to ensure adequate liquidity and to support the functioning of markets. We stand ready to use the established liquidity instruments to that end. We will continue to consult closely on market movements and financial stability, and cooperate as appropriate. We remain united and continue to maintain our solidarity as G7." The efforts of the finance ministers demonstrates a significant commitment to ensure the stability of the international monetary system while implementing fiscal policies flexibly.⁹²³

On 29 June 2016, Prime Minister Justin Trudeau, President Barack Obama, and President Enrique Peña Nieto issued a statement following the North American Leaders' Summit. The leaders committed to several projects to promote environmentalism and clean energy saying, "Together, we estimate that the development of current and future projects and policies to achieve this goal will create thousands of clean jobs and support of our vision for a clean growth economy."⁹²⁴ The three countries will continue to strengthen the North American Cooperation on Energy Information platform, by including additional geospatial information relating to cross-border infrastructure and renewable energy resources.⁹²⁵

Furthermore, the countries announced several new projects to progress previous commits to develop an integrated North American transportation network. They committed to: accelerating deployment of clean vehicles in government fleets; working collaboratively with industry to encourage the adoption of clean vehicles by identifying initiatives to support consumer choice; encouraging public and private infrastructure investments to establish North American refuelling corridors for clean vehicles; working to align applicable regulations, codes and standards where appropriate; fostering research, development, and demonstration activities for new clean technologies; convening industry leaders and other stakeholders by spring 2017 as part of a shared vision for a competitive and clean North American automotive sector.⁹²⁶

On 18 May 2016, President Obama and Secretary Perez of the Department of Labor announced updated overtime protections that would automatically extend overtime pay to 4 million workers in the first year of implementation.⁹²⁷

⁹²² 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>.

⁹²³ Statement of G7 Finance Ministers and Central Bank Governors, bank of Canada 24 June 2016. Access Date: 24 June 2016. <http://www.bankofcanada.ca/2016/06/statement-g7-finance-ministers-central-bank-governors-2/>

⁹²⁴ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁹²⁵ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁹²⁶ Leaders' Statement on a North American Climate, Clean Energy, and Environment Partnership, Government of Canada 29 June 2016. Access Date: 18 July 2016. <http://pm.gc.ca/eng/news/2016/06/29/leaders-statement-north-american-climate-clean-energy-and-environment-partnership>

⁹²⁷ Final Rule: Overtime - Wage and Hour Division (WHD) - U.S. Department of Labor. United States Department of Labor. 18 May 2016. Access Date: 22 July 2016. <https://www.dol.gov/whd/overtime/final2016/>

The US has taken some action to implement fiscal plan however, it has not taken action to authorize USD478 billion in transport payments over six years or raise the federal minimum wage to USD12 per hour by 2020. 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: +1

The European Union 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.

The EU 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 EU⁹²⁸

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.⁹²⁹ 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 January 2016.⁹³⁰ 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.⁹³¹ 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.

⁹²⁸ 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>.

⁹²⁹ 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.

⁹³⁰ 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.

⁹³¹ 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.

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.⁹³² 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.⁹³³ 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.⁹³⁴ This action directly addresses the plank of the EU's adjusted 2015 growth strategy relating to tackling corporate tax avoidance.

On 30 June 2016, the Commission proposed the draft 2017 budget of EUR134.9 billion in payments, focused on supporting the ongoing recovery of the European economy and addressing security and humanitarian challenges within the union's borders⁹³⁵. It proposes EUR74.6 billion in commitments for economic growth in 2017 (compared to EUR69.8 billion in 2016), and EUR5.2 billion to reinforce the external borders of the Union and address the refugee crisis and irregular migration.

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

Thus, the European Union has received a score of +1.

Analyst: Trinh Theresa Do

⁹³² 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.

⁹³³ 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.

⁹³⁴ 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.

⁹³⁵ Press Release Draft EU Budget 2017: Commission proposes a budget focused on priorities - growth, jobs and a solid response to the refugee crisis, 30 June 2016. Access date: 23 July 2016. http://europa.eu/rapid/press-release_IP-16-2347_en.htm