

B20 China Kick-off Meeting

Beijing, January 25-26, 2016

Dear Chairman Jiang,

Dear colleagues,

It is a pleasure and an honor to address the esteemed meeting.

I would like to congratulate all of us on a successful start of the B20 work under the Presidency of China. I want to thank the CCPIT for excellent organization of this kick-off meeting.

During the eight years since the first summit in Washington the G20 has attained a range of important achievements and played a significant role in world economic recovery by taking concerted actions and sending a clear message of unity as ‘shortage of confidence is more frightening than the shortage of liquidity’, as State Councilor of China Yang Jiechi pointed out at the recent G20 Sherpa Meeting.¹

Challenges to Global Economic and Financial Governance

End of last year we witnessed two major and long awaited breakthroughs which the G20 and B20 had been actively advocating for: **inclusion of the Chinese renminbi into the SDR basket** and acceptance of **the 2010 Quota and Governance Reforms** by the required majority of IMF members. However, we have to move further, including through **transformation of SDR into a unit of account** and completion of the 15th Quota Review **on the basis of a new quota formula**.

Most importantly, we need to agree coordinated policy actions to change the trend of declining growth rates. A year and a half after G20 set the goal to lift the G20's GDP by at least an additional 2% by 2018, our collective ambition is challenged by turbulence in financial markets, fall in commodity prices, China's economic rebalancing and persistent geopolitical tensions. We need to maintain the economic recovery and tap new sources of growth.

We expect the G20 Finance Ministers and Central Bank Governors at the meeting in Shanghai in February to outline a more ambitious reform agenda.

B20 Priorities under China Presidency

We commend the theme of the G20 China Presidency ‘Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy’. Innovations and structural reforms are key driving forces for long term economic growth.

B20 members support the focus on innovations. We should consider setting a Task Force on Innovation within the China B20 Presidency. Its recommendations would

¹ Strengthen Partnership for a Better Future Remarks by H.E. Yang Jiechi State Councilor of the People's Republic of China at the Opening Ceremony of 2016 First G20 Sherpa Meeting. http://g20.org/English/Dynamic/201601/t20160115_2111.html.

reflect B20 vision of the three topics proposed by the Chinese Presidency within the basket on ‘Breaking a New Path for Growth’: Innovation, New Industrial Revolution and Digital Economy.

B20 has some experience in this regards. Innovations were one of the priorities of 2013 Russian B20 Presidency when we had a special Task Force on Innovation and Development as a Global Priority.

We think it is important that China, being a major emerging economy, made inclusive economy one of its G20 Presidency priorities. Currently **emerging and developing economies account for almost 60% of global GDP** and contributed more than 80% of global growth since the crisis. **However, for the last five years their growth rates have been falling and G20 should remain committed to reducing inequalities and imbalances in global development.**²

We welcome the Chinese G20 Presidency’s invitation of new Multilateral Development Banks: Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB) as partner-institutions together with traditional international organizations. Business should more actively cooperate with new financial institutions as they bring significant additional resources and new approaches to financing growth and development.

The Way Forward

B20 shares G20 goals and **the B20 task forces will work to respond and provide business impetus to the G20 Presidency priorities.**

We look forward to an effective engagement with G20 and **hope that representatives of B20 from different G20 members would be invited to G20 events, including Sherpa’s and working groups’ meetings and ministerials.**

To extend the reach of B20 to the business community from non-G20 economies and emerging economies and enrich the B20 process the CCPIT and the Russian Union of Industrialists and Entrepreneurs (RSPP) are organizing a special event on B20 in the framework of the St. Petersburg International Economic Forum on June 16. The Forum will bring together top business leaders and will be an important platform to discuss issues vital for the B20. **I cordially invite all you to participate in the B20 Forum in St. Petersburg.**

I am sure that together we will guarantee that B20 continues to help G20 to play a critical role in the global economy by ‘developing a common understanding of the new challenges we face and coordinating our actions to overcome them’.³ **I wish success to the Chinese G20 and B20 Presidency and to us all.**

² Theme and Key Agenda Items of the G20 Summit in 2016. 1 December 2015. <http://g20.org/English/Dynamic/201512/P020151201039444963631.pdf>.

³ G20 5th Anniversary Vision Statement September 6, 2013. <http://www.g20.utoronto.ca/2013/2013-0906-vision.html>.