

## **Section 5 G7/G20 and OECD**

### **1. G20 Hamburg Summit (July 2017)**

At the G20 Hamburg Summit, held in July 2017, the leaders' declaration proclaimed their agreement to "keep markets open," "continue to fight protectionism including all unfair trade practices," "strive to ensure a level playing field," "underline the crucial role of the rules-based international trading system," and "cooperate to improve (the WTO's) negotiating, monitoring and dispute settlement functions."

On excess capacity, the leaders' declaration recognized "the sustained negative impacts on domestic production, trade and workers due to excess capacity" and expressed a commitment to "further strengthening our cooperation to find collective solutions." The declaration also noted that the leaders "urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities" and "call on the members of the Global Forum on Steel Excess Capacity... to rapidly develop concrete policy solutions that reduce steel excess capacity." It also noted that the leaders "look forward to a substantive report with concrete policy solutions by November 2017... and follow-up progress reporting in 2018."

In addition, regarding the G20 chairmanship in 2019 and beyond, it was decided to hold the G20 Summit in Japan in 2019 and in Saudi Arabia in 2020.

### **2. A ministerial meeting of the Global Forum on Steel Excess Capacity (November 2017)**

Following the leaders' declaration at the G20 Hangzhou Summit in 2016, the Global Forum on Steel Excess Capacity, comprised of the G20 countries and interested OECD member countries, was established in December 2016. The OECD Secretariat serves as the forum's facilitator, while Germany, the United States and China served as the forum's co-chairs in its first year that started in December 2016 and Argentina, the EU and India serve as co-chairs in the current year that started in December 2017. Until March 2018, the forum held seven working-level meetings and shared information concerning crude steel production capacity and governmental support measures of individual countries, among other activities. Following the G20 Hamburg Summit, the forum held the first ministerial meeting on November 30, 2017. At the meeting, the forum worked out a report that summarized the results achieved in the first year, including the development of policy solutions based on six principles that should be implemented by individual countries in order to address the problem of excess production capacity. The principles included ones prescribing that effective review should be conducted in order to remove market-distorting subsidies and that a level playing field between state-owned and private enterprises should be ensured. In 2018, in order to steadily implement the policy solutions, the forum will continue information sharing and mutual reviews concerning production capacity and governmental support measures. In June, the second ministerial meeting of the Global Forum on Steel Excess Capacity is scheduled to be held in order to discuss the development of an additional action plan.

### **3. OECD Ministerial Council Meeting (May 2018)**

The OECD Ministerial Council Meeting was held in Paris on May 30-31, with France as its chair, under the theme "Reshaping the foundations of multilateralism for more responsible, effective and

inclusive outcomes.” At the trade and investment session, discussions were held on the importance of a rules-based multilateral trading system, the need for all trade measures to conform to WTO rules, and the importance of securing fair competitive conditions through the removal of market-distorting measures, which are the fundamental cause of problems. Minister of Economy, Trade and Industry Seko pointed out the importance of enhancing international rules on subsidies, implementing countermeasures against forced technology transfer and accelerating the work of the International Working Group on Export Credits and the Global Forum on Steel Excess Capacity. All these points were reflected in the chair’s statement.

#### **4. G7 Charlevoix Summit (June 2018)**

With respect to the G7 Summit in 2018, Canada, the chair of the meeting, presented the following themes: “Economic growth that works for everyone,” Economic growth and the future of work,” “A more peaceful and secure world,” “Gender equality and women’s empowerment,” “Climate change and clean energy” and “Oceans.” At the G7 Charlevoix Summit, held in June 2018, discussions were also held on trade in light of the abovementioned themes. The leaders’ communique acknowledged that free, fair and mutually beneficial trade and investment are key engines for growth and job creation, and based on this acknowledgement, it reaffirmed the commitment to the conclusions on trade of the Hamburg G20 Summit: in particular, the leaders underlined the crucial role of a rules-based international trading system and expressed their resolve to continue to fight protectionism. The declaration also emphasized the importance of bilateral, regional and multilateral agreements and confirmed that the G7 will strive to modernize the WTO, reduce tariff and non-tariff barriers and subsidies.

The leaders also agreed on the importance of taking the following measures: addressing non-market oriented policies and practices, and inadequate protection of intellectual property rights, such as forced technology transfer or cyber-enabled theft, in order to foster a truly level playing field; starting negotiations this year to develop stronger international rules on market-distorting industrial subsidies and trade-distorting actions by state-owned enterprises; promoting the implementation of measures related to steel excess capacity under the Global Forum on Steel Excess Capacity; avoiding excess capacity in sectors such as aluminum and high technology; and developing international guidelines for export credits, as soon as possible in 2019.

#### **5. In preparation for holding the 2019 G20 Summit in Japan**

In April 2018, the government of Japan announced that it will hold the G20 Summit in Osaka on June 28-29, 2019. It also announced that the Ministerial Meeting on Trade and Digital Economy will be held in Tsukuba City, Ibaraki Prefecture, on June 8-9, 2019. At the ministerial meeting, discussions will be held on the G20’s initiatives to strengthen global economic growth through the promotion of free trade and technological innovations, such as IoT and AI.