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## **ON THE UPCOMING OSAKA G20 SUMMIT**

***Koji Tomita***

- Japan, as the G20 presidency, will host the G20 Osaka Summit on June 28 and 29, 2019.
- G20 Osaka Summit brings together developed countries and emerging countries and discuss how to address the potential risks of global economy and how to harness power of technological innovation for human welfare.
- The priorities of G20 Osaka Summit will be (1) sustainable growth of the global economy, (2) efforts to address global challenges, and (3) technological innovation as an overarching theme.

*The views expressed in this piece are the author's own and should not be attributed to The Association of Japanese Institutes of Strategic Studies.*

Japan has assumed the G20 presidency for the first time and will host the G20 Osaka Summit on June 28 and 29, 2019. G20, as the “premier forum for international economic cooperation,” brings together many developed countries and emerging countries with growing presence in the international economy.

Looking back on the history, the G20 process started as a crisis management exercise in the wake of the Lehman Shock. Since then the global economy has enjoyed relative calm, but now downturn risks are observed. How to prevent those risks will be a key challenge for Osaka. Furthermore, the future of the global economy is uncertain as the progress in transformative technologies such as IOT and AI is bringing about tremendous change to human life. With these backgrounds, this article illustrates the priorities of the G20 Osaka summit, as a preliminary observation in its preparation process; first, the G20 efforts to achieve sustainable growth of the global economy; secondly, the wide ranging efforts to address global challenges; and finally, how to harness the power of technological innovation as an overarching theme.

Firstly, sustainable growth in the global economy is one of the priority areas of G20 discussions. As was mentioned earlier, the current economic situation is nothing comparable to those in 2008, but if the situation turns for the worse, the G20 leaders need to be ready to respond effectively. Their vigilance should also be accompanied by efforts to remove the existing uncertainties. In this context, one of the most urgent tasks facing the G20 members is to regain confidence in the multilateral trading system given the fact that trade tensions have started to weigh heavily on prospects for growth.


In this context, the reform of the WTO remains an important priority for Osaka. Although the G20 is not a negotiating forum, the G20 can and should provide strong political impetus for a better functioning WTO, attuned to rapidly changing global trading environments such as explosive growth in e-commerce. System reform needs to be underpinned by efforts to tackle persistent market-distorting trading practices. Representing 80% of the global economy, the G20 members have to assume special responsibility by keeping their markets open and refraining from having recourse to such practices.

In addition, in Osaka, women's empowerment remains a key priority in the agenda building on the previous efforts by the G20 for more equitable and inclusive growth, Japan aims to promote efforts for improved labor participation by women, as well as measures to foster environments conducive to greater empowerment, including education and entrepreneurship. Population aging will be introduced to G20 debates as another important issue to be solved for more inclusive growth. Despite very divergent demographic profiles, there has been strong support among the G20 members to deepening the discussions on this subject.

The second point relates to the G20 efforts to address global challenges such as climate change and energy transition, international health, marine plastic litter, anti-corruption, immigration and migration, the whole development agenda enumerated in the SDGs. In this area, the discussions in the previous summits will provide an important foundation for Osaka. On the SDGs, G20 has produced an annual update on G20s' collective efforts in implementing SDGs. This year's update will be designed to contribute to the high-level discussion of the United Nations in September. On quality infrastructure, guidance from the past G20 work will be taken into consideration in seeking to elaborate a set of principles which includes elements such as transparency, openness, economic efficiency in view of life-cycle cost and debt sustainability. The unique challenges facing Africa also remains an important concern, and the G20 will provide useful inputs to TICAD 7 hosted by Japan in August this year. The issue of climate change will be one of the key challenges for the Japanese chair because the G20 has failed to find a unanimous voice in recent times. Japan believes this area requires pragmatic debates to find common ground for concerted actions among the G20 members. Last but not least, on the problem of marine plastic litter, Japan would like to set forth effective international measures to tackle this problem.

Finally, innovation is a crosscutting and overarching theme for the Osaka Summit. As was noted earlier, ICT is transforming global trade and finance. Technological innovation can play in global efforts to overcome wide-ranging economic and social challenges, from population aging to climate change. On

the other hand, the problem is that the pace of innovation-driven change is often difficult to respond to resultant economic and social dislocation in a timely manner. For the same reasons, the efforts to create an appropriate system of governance tend to lag behind and this concern is becoming acute as the virtual domain is becoming more integrated into the real domain with the advent of IOT and AI. Furthermore, there is a danger that technological development will lead to a new divide within and across societies. With these backgrounds, Prime Minister Abe, in his speech in Davos, expressed his determination to promote international debates on data governance. Although this is not an easy undertaking, the matter is serious enough to merit the attention of world leaders, and Osaka could catalyze deeper and intensified global discussion in this area, including through creating strong momentum for the negotiation on electronic commerce within the framework of the WTO.

In conclusion, the common thread running through all these discussions is our desire to give people greater confidence in their future. Regained confidence in the future is needed not only for sustainable growth, but also for public support for multilateralism. We very much hope that Osaka will make solid contributions to this end. 

*Koji Tomita is Ambassador, Representative of the Government of Japan for the G20 Summit.*