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International Commentary: The joint statement by the Leaders of the G20 reinforces their commitment to achieving sustainable economic growth, confirms pivot toward coordinated monetary and fiscal policy Details

- Overnight the Leaders of the G20 released a [joint statement](#) promising to improve economic policy coordination amongst many other goals. More specifically, member nations agreed on utilizing monetary, fiscal, and structural policy tools to achieve "strong, sustainable, balanced and inclusive growth". Interestingly enough, the statement was adamant that monetary policy alone was unable to achieve balanced growth, and advocates the need for complementary flexible fiscal policy – mainly in the form of high-quality public investment – to aid in this quest.
- As is typical at these summits, the Leaders of the G20 committed to implement social and structural reforms intended to improve the supply side of economies of the member nations. These include policies that promote innovation, increase productivity, reduce pollution, and other policies that are aimed at improving people's lives.
- Additionally, the statement reinforced the commitment of member nations to build an open world economy, promoting global trade and investment instead of embracing protectionism. Moreover, they agreed to refrain from competitive devaluations and avoid targeting exchange rates for competitive purposes.

Key Implications

- The outcome of this weekend's G20 summit reinforces our view that global policymakers have begun to pivot away from monetary policy as the sole tool that is supporting the economic recovery after the Great Recession. Calls for additional policy stimulus by major international organizations such as the IMF and the OECD earlier this year appear to have finally been heeded by the leaders of the world's most economically important nations. The prospect of more fiscal stimulus bodes well for stronger global infrastructure investment going forward, and will be a key theme supporting our global outlook over the next few years.

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