

G8 Birmingham Summit
May 15-17

Final Communiqué, May 17, 1998

Introduction

1. We, the Heads of State or Government of eight major industrialised democracies and the President of the European Commission, met in Birmingham to discuss issues affecting people in our own and other countries. In a world of increasing globalisation we are ever more interdependent. Our challenge is to build on and sustain the process of globalisation and to ensure that its benefits are spread more widely to improve the quality of life of people everywhere. We must also ensure that our institutions and structures keep pace with the rapid technological and economic changes under way in the world.

2. Of the major challenges facing the world on the threshold of the 21st century, this Summit has focused on three:

- achieving sustainable economic growth and development throughout the world in a way which, while safeguarding the environment and promoting good governance, will enable developing countries to grow faster and reduce poverty, restore growth to emerging Asian economies, and sustain the liberalisation of trade in goods and services and of investment in a stable international economy;
- building lasting growth in our own economies in which all can participate, creating jobs and combating social exclusion;
- tackling drugs and transnational crime which threaten to sap this growth, undermine the rule of law and damage the lives of individuals in all countries of the world.

Our aim in each case has been to agree to concrete actions to tackle these challenges.

Promoting sustainable growth in the global economy

3. In an interdependent world, we must work to build sustainable economic growth in all countries. Global integration is a process we have encouraged and shaped and which is producing clear benefits for people throughout the world. We welcomed the historic decisions taken on 2 May on the establishment of European Economic and Monetary Union. We look forward to a successful EMU which contributes to the health of the world economy. The commitment in European Union countries to sound fiscal policies and continuing structural reform is key to the long-term success of EMU, and to improving the prospects for growth and employment.

4. Overall global prospects remain good. However, since we last met, the prospects have been temporarily set back by the financial crisis in Asia. We confirm our strong support for the efforts to re-establish stability and growth in the region and for the key role of the International Financial Institutions. Successful recovery in Asia will bring important benefits for us all. Therefore:

- we strongly support reforms under way in the affected countries and welcome the progress so far achieved. With full implementation of programmes agreed with the IMF we are confident that stability can be restored. The underlying factors that helped Asia achieve impressive growth in the past remain in place. Implementation of agreed policies together with the action taken by ourselves and other countries to avoid spillover effects provide the basis for a firm recovery in the region and renewed global stability;