

Confronting Global Economic and Financial Challenges

Denver Summit Statement by Seven

Introduction

1. We, the Heads of State and Government of seven major industrial democracies, and the Representatives of the European Union, have met in Denver to discuss the challenges which we face in economic, financial and other areas as we approach the 21st Century.

2. We remain committed to sustaining non-inflationary growth and contributing to world prosperity. The increasing globalization of markets is an important engine of world growth that provides opportunities to all countries. Our goal is to realize the full benefits of globalization for all while meeting the challenges it presents.

3. To achieve this goal, we must:

- Implement policies to promote sustainable, non-inflationary growth; create jobs; restore sound public finances; and meet the challenge of the aging of our populations.
- Work together with other countries to promote open markets for trade and investment and to support global financial stability, crucial underpinnings of economic growth and prosperity.
- Promote the successful integration of the transition and developing countries of all regions of the world into the global economy.

Promoting Growth

4. Since we met in Lyon, we have been encouraged by the many positive indicators in our economies: inflation remains low, growth continues at a solid yet sustainable pace or is increasing, and fiscal actions are reducing budget deficits. We welcome the impressive gains of the emerging economies, which have contributed significantly to global growth. We also welcome the progress of the transition economies toward creating stable macroeconomic conditions and implementing structural reforms. We call on those countries to work with us to ensure the efficient functioning of the international monetary and trade system.

5. But we still have work to do in our own economies. More must be done to restore sound long-term fiscal positions and, in some countries, to ensure the soundness of the financial system. We are concerned about the high level of unemployment in some countries, which has serious consequences for growth, public finances and social cohesion. Some of our countries have registered strong economic growth and rising employment; in others, the recovery in job growth has not been satisfactory. More needs to be done — especially in the latter cases — to increase labor and product market efficiency through structural reform. We face the challenge of ensuring that all, particularly our young people, can participate in growth and benefit from it. In this respect, we encourage the work of the OECD on regulatory reform.

6. One of the most important challenges we face is responding to the economic, financial and social implications of the changing demographics in our aging societies. It could significantly affect our pension and health care costs and influence our public budgets; reduce public and private savings, and affect global flows of capital. We therefore pledge to undertake structural reforms that will address these issues. We have asked our Finance and Economic Ministers to examine, in coordination with other competent national authorities, the economic and fiscal implications of aging, including within the OECD and other relevant international organizations.