

HALIFAX SUMMIT COMMUNIQUE

PREAMBLE

1. We, the Heads of State and Government of seven major industrialized nations and the President of the European Commission, have met in Halifax for our 21st annual Summit. We have gathered at a time of change and opportunity, and have reaffirmed our commitment to working together and with our partners throughout the world.

GROWTH AND EMPLOYMENT

2. The central purpose of our economic policy is to improve the well being of our people, allowing them to lead full and productive lives. Creating good quality jobs and reducing unemployment, which remains unacceptably high in too many of our countries, is thus an urgent priority for all of us. We are committed to establishing an economic environment conducive to the accomplishment of this goal.

3. We remain encouraged by the continued strong growth in much of the world's economy. While there has been some slowing, in most of our countries the conditions for continued growth appear to be in place and inflation is well under control. We will pursue appropriate macroeconomic and structural policies to maintain the momentum of growth.

4. Yet problems remain. Internal and external imbalances, together with unhelpful fluctuations in financial and currency markets, could jeopardize achievement of sustained, non-inflationary growth as well as the continued expansion of international trade.

5. We remain committed to the medium-term economic strategy that we earlier agreed upon. Consistent with it, we are determined to make the best possible use of the current economic expansion by taking steps to promote durable job creation. This requires determined action to further reduce public deficits, to maintain a non-inflationary environment and to increase national savings for the funding of a high level of global investment. Each country has to keep its own house in order.

6. We endorse the conclusions reached by G-7 Finance Ministers in Washington and ask them to maintain close cooperation in economic surveillance and in exchange markets.

7. Good fiscal and monetary policies will not on their own deliver the full fruits of better economic performance. We must also remove obstacles to achieving the longer-term potential of our economies to grow and create secure, well-paying jobs. This will require measures to upgrade the skills of our labour force, and to promote, where appropriate, greater flexibility in labour markets and elimination of unnecessary regulations. At Naples we committed ourselves to a range of reforms in the areas of training and education, labour market regulation and adjustment, technological innovation and enhanced competition. As we pursue these reforms, we welcome the initiation by the OECD of a detailed review of each member economy's structural and employment policies.