

6. We therefore commit ourselves to implement fiscal and monetary policies, which, while reflecting the different situations in our countries, provide the basis for lower real interest rates. In this connection, continued progress in reducing budget deficits is essential. This, together with the efforts being made to reduce impediments to private saving, will help generate the increase in global savings needed to meet demands for investment. We also welcome the close cooperation on exchange markets and the work to improve the functioning of the international monetary system.

7. We will also, with the help of the Organisation for Economic Co-operation and Development (OECD) and other institutions, pursue reforms to improve economic efficiency and thus the potential for growth. These include:-

- a) greater competition in our economies, including regulatory reform. This can enhance consumer choice, reduce prices and ease burdens on business.
- b) greater transparency, elimination or enhanced discipline in subsidies that have distorting effects, since such subsidies lead to inefficient allocation of resources and inflate public expenditure.
- c) improved education and training, to enhance the skills and improve the opportunities of those both in and out of employment, as well as policies contributing to greater flexibility in the employment system.
- d) a more efficient public sector, for example through higher standards of management and including possibilities for privatisation and contracting out.
- e) the wide and rapid diffusion of advances in science and technology.
- f) essential investment, both private and public, in infrastructure.

8. We will encourage work nationally and internationally to develop cost-effective economic instruments for protecting the environment, such as taxes, charges and tradeable permits.

International trade

9. No issue has more far-reaching implications for the future prospects of the world economy than the successful conclusion of the Uruguay Round. It will stimulate non-inflationary growth by bolstering confidence, reversing protectionism and increasing trade flows. It will be essential to encourage the integration of developing countries and Central and East European nations into the multilateral trading system. All these benefits will be lost if we cannot conclude the Round.