

**Statement of G-7 Finance Ministers and Central Bank Governors
Paris, February 22nd 2003**

Our economies are experiencing slower growth, yet they remain resilient. Geopolitical uncertainties have increased. We remain confident in the underlying strength of our economies and in their capacity to grow more vigorously.

We recognise the imperative for higher growth rates and resolve to take steps to achieve this result. To this end, Europe is committed to accelerating labour, product and capital market reforms to achieve a more flexible economy ; Japan has reiterated its commitment to structural reforms, including in the financial and corporate sectors ; the US is implementing action to create jobs, encourage capital formation and savings and raise productivity growth. We also remain steadfast in our commitment to ensure sustainable public finances and price stability. We are all committed to the Doha Development Agenda and to meeting its overall timetable and interim milestones.

We will continue to cooperate closely. If the economic outlook weakens, we are prepared to respond as appropriate. We will continue to monitor exchange markets closely and cooperate as appropriate.

To strengthen corporate governance and to bolster further investor confidence, we are implementing ambitious domestic reforms. Strengthened market discipline, improved corporate disclosure, increased transparency and effective regulation are common principles that underpin sound financial systems and ensure their coherence. We support the work of the Financial Stability Forum and other fora, covering independent auditing, high-quality accounting standards, sound corporate governance and financial information quality. We will review the progress of their work.

We encourage developing and emerging market countries to pursue sound policies and to enhance their investment climates. These policies will help attract foreign direct investment, reduce external vulnerabilities and raise sustained growth. We welcome Brazil's pursuit of sound economic policies and social reforms. As Argentina moves forward to fulfill its commitments agreed with the IMF, we look forward to the authorities restoring contract enforcement and engaging in a dialogue with its private creditors. We welcome Turkey's commitment to economic and financial stabilization as agreed with the IMF.

We are implementing our April 2002 action plan to prevent and resolve financial crises in emerging market countries. Progress has been made in ensuring greater discipline through clarifying normal and exceptional access to official finance in crisis situations. We welcome the positive response of the private sector to collective action clauses and its on-going work with the public sector on model clauses. We look forward to the early adoption of effective collective action clauses and to the discussion of a concrete proposal from the IMF on a sovereign debt restructuring mechanism at its Spring meeting. As a complement, we welcome work on a code of good conduct based on negotiating principles. We urge the IMF to enhance crisis prevention, including by making its surveillance more effective.

We urge all countries to implement and enforce laws to combat the financing of terrorism. We will continue to provide technical assistance to countries that lack appropriate measures to combat terrorist financing. We urge the IMF and the World Bank to step up their assessments and their provision of

technical assistance in coordination with the United Nations and to present an action plan at the Spring meetings. We urge the Financial Action Task Force to foster effective asset freezing. We encourage more effective oversight of informal financial institutions and charities and we look forward to revised Financial Action Task Force recommendations by June.

We urge all OECD countries to implement the standards set out in the OECD's 2000 report on access to bank information and to ensure effective exchange of information for all tax purposes. A level playing field is crucial to avoid tax evasion shifting from those countries that engage in exchange of information to those that do not.

Our duty, our responsibility for the prosperity and sustainable development of the world require us to address vigorously the challenge of global poverty. To build on the positive outcomes of Monterrey and Johannesburg, developed and developing countries should mobilize greater financial resources and improve aid effectiveness by setting and achieving measurable results and adopting growth-oriented policies. We reaffirm our support for the Millennium Development Goals, including on health, education and water supply and sanitation, as well as to the completion of the Highly-Indebted Poor Countries (HIPC) initiative and of the Global Health Fund. Their achievement calls for an increased volume of development resources. We have made progress particularly on HIV/AIDS and will continue to focus on the Goals and their financing, including facilities, with a view to making further progress by Evian. Consistent with the G8 Africa Action Plan, we are ready to provide substantial support to African countries that implement New Partnership for Africa's Development (NEPAD) principles and are committed to improving governance and demonstrate solid policy performance. We recognize the fundamental importance of rules-based trade in driving economic growth and poverty reduction.