

Japan-Australia Economic Dialogue Joint Statement

Tokyo, Japan, October 20, 2023

1. The Ministry of Finance, led by KANDA Masato, Vice Minister of Finance for International Affairs, and the Treasury, led by Roxanne Kelley, Deputy Secretary of International and Foreign Investment Group, held the 17th Economic Dialogue on October 20th, 2023 in Tokyo.
2. Japan and Australia are special strategic partners, underpinned by shared values, economic complementarity, and enduring people to people links. The strength of the institutional relationship between the Ministry of Finance and the Treasury is important to our shared economic foundation. Aiming at strengthening this foundation further, the Dialogue included discussions on the following topics.
3. We reiterate our unwavering support for Ukraine and are united in our condemnation of Russia's illegal, unjustifiable, and unprovoked war of aggression against Ukraine. Russia's war has caused tragic loss of life, destruction of property and infrastructure, increased global food insecurity, and exacerbated global economic challenges. We agreed on the importance of continuing to support Ukraine in the near term and recognised that coordinated international efforts, including through multilateral mechanisms, will be essential to rebuilding Ukraine's critical infrastructure, and its recovery and reconstruction. We noted the shared commitment by our governments to continue closely monitoring the effectiveness of our sanctions against Russia and take further measures where necessary, including by strengthening the enforcement of our sanctions.
4. We exchanged views and analysis on current global and domestic economic challenges including elevated inflation, global debt levels, rising geopolitical tensions, and volatile currency and financial markets, as well as the approaches our governments are implementing to manage these issues and progress structural reforms.
5. We agreed to continue to cooperate to strengthen the international financial architecture. We reaffirmed our commitment to further implementing the recommendations of the G20 Independent Review of MDBs Capital Adequacy Frameworks. We will also coordinate on the design of the allocation framework of concessional resources at the World Bank. We reaffirm our commitment to concluding the 16th General Review of Quotas by December 2023. Given mounting debt pressures on low-income countries, we reiterated the importance of improving the implementation of the Common Framework and welcomed the agreement of the MoU on the debt treatment for Zambia. Beyond the Common Framework, we also welcomed significant progress at the official creditor committee towards agreement on debt treatment for Sri Lanka and look forward to its swift resolution as a basis for multilateral efforts to address middle-income countries' debt issues. We encourage all bilateral creditors to take part in the Debt Data Sharing Exercise that enhances debt data accuracy and transparency. In close collaboration with the OECD, we agreed to work together to support EMDEs in attracting more, better, and safe FDI, including at the OECD's Ministerial Council Meeting and Southeast Asia Regional Program. We welcomed the successful launch of the Partnership for RISE (Resilient and Inclusive Supply-chain Enhancement) at the occasion of the WB/IMF Annual Meetings last week and agreed to continue to further cooperate on clean energy supply chain diversification, including through existing mechanisms in the Quad and Indo-Pacific Economic Framework.

6. We exchanged views and concurred to further enhance collaboration on supporting developing countries, especially Pacific Island countries, including in the areas of climate mitigation and adaptation, debt sustainability, infrastructure development, anti-money laundering, countering the financing of terrorism and proliferation financing and ensuring financial stability as well as orderly and well-functioning financial markets. We noted the benefits of Climate Resilient Debt Clauses (CRDCs)¹, as CRDCs create fiscal space and support innovation in debt sustainability, which are important for our region.
7. We exchanged views on the Australian national wellbeing framework "Measuring What Matters" and the discussion under the Japanese G7 Presidency on welfare. We noted important elements of welfare cannot be fully captured by a single aggregated indicator such as GDP. We agreed to continue our dialogue in this area, including through sharing information and best practices.
8. On global health, we will continue to collaborate in our shared constituency of the Pandemic Fund including to progress its second Call for Proposals by the end of 2023, as agreed in the G20. We will cooperate together to accelerate the work of the G20 Joint Finance-Health Task Force to deliberate on how pandemic response financing mechanisms can be optimized, better coordinated and suitably enhanced to deploy the necessary pandemic financing quickly and efficiently.
9. The next Economic Dialogue will be held in 2024 in Australia.

¹ Climate Resilient Debt Clauses (CRDCs) provide principal and interest payment deferrals in the event of a severe climate related shock or natural disaster, such as an earthquake, hurricane, flood, or drought.