

Global Economy**G20: begin the beguine**

Expansión (Spain)

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The outcome of the G20 meeting in Osaka last weekend of June can be seen as positive; it was a kind of restart after the failure of previous multilateral meetings, with more details and emphasis on previously discussed issues (global trade governance, climate change, the digital economy), and the addition of certain new ones, such as the ageing of the population. However, this does not mean either that a new beginning will stem from this point, or that expectations will end up turning into something tangible and positive, especially in regard to the confrontation between the United States and China.

In the first place, the mere existence of a joint communiqué is noteworthy, even if it includes a paragraph in which the US reaffirms its position on leaving the Paris Agreement to combat climate change by reducing greenhouse gas emissions vis-à-vis the other parties. Despite this existence of a G19+1, the communiqué is more detailed than that of Buenos Aires last November with regard to matters that should be treated globally, either due to their urgency or because of their effect on the medium and long-term global economic scenario.

Regarding international trade, the commitment to free trade is reaffirmed in more precise terms than was the case in Argentina ("...We strive to realize a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment, and to keep our markets open... "). This intention is accompanied by a call to act now to maintain the operation of the dispute resolution mechanism of the World Trade Organization (WTO), which will no longer be capable of acting by the end of 2019 if no action is taken. This will be a good test that the statement was not just a collection of good intentions.

Attention was also dedicated to another issue: the impact of the digital transformation on the economy. The risks arising from the increase in barriers to the flow of data between different jurisdictions were underlined, factors that are aligned against digitization as a lever of innovation, and with it an increase in productivity and growth. The question is how to do this while safeguarding privacy, with confidence in the use of data. To achieve this, and given the direct relationship between the free flow of data and international free trade, the G20 reaffirms the leadership of the WTO to develop the governance of electronic commerce. Effective advances in this matter will provide more proof that the G20 is something more than just a succession of good intentions.

The ageing of the population, of special interest for the Japanese presidency of the G20, is a matter of less evident impact in the short term than trade disputes, but which is key in the trends that define the global economic scenario. It becomes a new challenge to monitor the G20, which calls on labor ministers of the group to define priority lines of action that favor the employability of a population that will have longer working lives, while, at the same time, facing greater dependency.

Finally, with regard to trade relations between the United States and China, the meeting served, once again, as a backdrop for the announcement of the resumption of negotiations and, therefore, for a new trade truce after the escalation of trade and technological reprisals over the last two months. It remains to be seen what the effective result of this new truce will be, in a situation similar to that seen in Argentina last November, which has ended up failing. Thus, the starting point of this new beginning is more negative: trade barriers are higher, disputes have expanded to the field of technology, trust between the two strategic global rivals is lower, and negotiations, the details of which we are still waiting for, will be at the center of the political debate in the US, with presidential elections coming at the end of 2020. All the ingredients in the mix say a new start is not out of the question.

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