

Opening Remarks by the Honorable Taro Aso  
Deputy Prime Minister, Minister of Finance,  
Minister of State for Financial Services of Japan  
At G20 Finance Ministers and Central Governors Deputies Meeting  
Tokyo, 17<sup>th</sup> of January, 2019

Distinguished G20 members,  
Invited Guests and Representatives from international organizations,  
Ladies and gentlemen,

A very good afternoon.

It is a great honor and a pleasure to welcome you all to the G20 Finance and Central Bank Deputies Meeting here in Tokyo. Tokyo is a city where innovation and tradition co-exist.

It is not a coincidence that we hosted two pre-meeting events on innovation and aging in this city. Both the seminar on innovation yesterday and the symposium on demographic change today present essential questions for our shared future.

I hope these discussions have warmed you up for this important kick-off meeting for the G20 finance track in 2019.

Before letting you dive into discussions on a host of issues, I would like to share my thoughts on the challenges the world is facing and the mission the G20 should aim to achieve under the Japanese Presidency.

Today, the recovery of the last several years is losing steam, with clear downside

risks and heightened financial vulnerabilities. At the same time, the world faces a host of critical, more deeply-rooted challenges, such as aging populations and climate change. For many countries, the glaring gap in basic infrastructure and social welfare services has been a longstanding issue. The long list of challenges does not stop here. Meanwhile, rapid technological innovation has brought both new opportunities and challenges.

And all this comes when support for the international order based on cooperation and openness is under strain. This order has brought peace and greater prosperity to the world. However, dissatisfaction with economic inequality is growing. There is a serious risk that we will revert to a closed and fragmented world. Protectionism and unfair trade practices lead to instability and perverse economic outcomes. We must renew our commitment to international cooperation and openness.

Looking back through our own history, Japan has greatly benefitted from the international order based on cooperation and openness after the Second World War. Having grown to be one of the most advanced economies, Japan has a responsibility, and a special mission to protect the international order.

In fact, this is rooted not only in Japan's history but also in my own. In November 2008, I was in Washington, D.C. to take part in the very first G20 Leaders' Summit as the Prime Minister of Japan. It was in response to the Global Financial Crisis. To prevent a repeat of the Great Depression, The G20 Leaders gathered with common purpose and joint resolve. Since then, we have agreed and implemented decisive policy actions, including financial regulation and expansionary fiscal policy.

Let me recall one major achievement of the first G20 Summit. Committing to an

Open Global Economy, Leaders rejected protectionism, competitive devaluation, and economic blockades. This has become the backbone of the G20, whose importance cannot be overstated.

Today, I remain fully committed to international cooperation and openness, which, I believe, should be upheld as the core values of the G20.

To realize our core values effectively, the G20 should reposition itself on issues of concern for us and help the international community as a whole. This is the only way to reinvigorate the G20.

Against this backdrop, Japan's presidency will focus on the following three themes.

First, we need to act on the "risks and challenges to the global economy", including long-term structural issues such as global imbalances and aging.

Second, we will discuss how the G20 could accelerate concrete actions to strengthen growth potential. Here, we cannot do without discussing:

- (i) investment in high-quality infrastructure and human capital, as well as
- (ii) how to ensure debt sustainability in low-income countries.

And third, we will take up "economic and social structural changes stemming from technological innovation and globalization". Specifically, we will discuss how to address issues regarding the tax challenges of digitalization, financial market fragmentation and financial innovation.

I look forward to active and constructive discussions at the G20 on these important issues. I genuinely believe that we can, like we did in 2008, work together to build a foundation towards sustainable and inclusive prosperity.

Each and every one of you has a critical part to play in achieving this goal, and I thank you in advance for your dedicated work to make this year's G20 a great success.