

FINAL STATEMENT TO G20 MEMBERS

17 November 2015

Antalya, Turkey

Prime Minister Turnbull

Thank you very much Mr President and can I join our colleagues today in thanking you very much for the magnificent work you have done in hosting the G20 here in Antalya. It's been a very, a very, very successful presidency and will be long remembered for its focus on development as the President of South Africa was just observing.

I welcome the opportunity to build on the candid conversation that began in Brisbane about the future of the multilateral trading system. How do we make that system work better? What are the consequences if we do not succeed? I think we recognise that in the current – and the environment that will continue, if not accelerate – of rapid change, of rapid transition, we need all of our economies if they are to be successful with good jobs, to be as flexible and open as possible.

Flexibility and agility are key elements in success. And so trade, free markets are vital for our future prosperity. If you look at the case in point in Australia, we went through – as did the Canadians and Brazilians and many others – have benefitted from a massive commodities boom. We've seen in the last few years our terms of trade decline by more than 30 per cent since their peak in 2011. The percentage of GDP represented by mining investment went from two per cent to nine per cent in just a few years. And that of course that mining construction boom is coming to an end.

Now throughout all of that, a independent central bank, relatively open markets, relative to many other countries, a floating currency, a flexible economy in most respects – not as flexible perhaps as it should be, but flexible in most respects – has meant that we've made the transition relatively well. Unemployment is coming down again. We are creating many jobs. The workforce is growing all this despite the decline in the commodities boom and the decline in our terms of trade. So flexibility and open markets are vital.

Now, as the German Chancellor observed, it may be that the failure of the Doha Round, the failure of the big multilateral deal will be overtaken by a series of smaller plurilateral deals like TPP or by bilateral deals, maybe that collectively they will add up to a new Doha Round. We could rename it perhaps – a technique beloved of all of us perhaps.

But I think we need to recognise however that the, as others have observed, that the bilateral trade deals, important though they are, are of variable quality. And there is the very real risk that smaller countries, less powerful countries, countries which have a less compelling case to make for the time and attention of the larger markets will be left out. So the big global trade deals – trade deal – is absolutely critical. And we need to find the strong political will to drive that forward.

Doing so, we need I believe to be flexible, to introduce what's been described as a variable geometry to the global trade agenda. Meaning interested countries can work on new and emerging trade priorities together under the umbrella of the global system. I think this should be a priority for our discussions next year President Xi in China, when you host the meeting, we have no doubt that will be another successful G20 presidency.

And I might say, just making an observation back to Madame Lagarde's remarks at the outset, while the transition in the Chinese economy is often described as a risk to the global economy, a risk to growth, can I just observe that from our part, who have been great beneficiaries of the investment-driven model, probably no country a greater beneficiary of that. Can I say that we welcome the rebalancing exercise in China. We think it is absolutely critical both to China's continued growth to escape that middle-income trap of which the President speaks and also to ensure that we for our part and all of us, have a much wider range of industries that are engaging with and trading with China. So we welcome the rebalancing – we think it's good for China and good for the global economy.

Finally, because I'm running short of time, let me make a couple of points about energy. Australia is a very large energy exporter. We have been the world's largest coal exporter – I think our friends from Indonesia have overtaken us in terms of thermal coal but I'm reliably informed by Dr Birol that we'll seize the lead again by 2020 and by 2020 we'll also be the world's leading exporter of LNG.

But whatever the rankings may be, Australia has a vested interest, as do the Canadians as Mr Trudeau observed, in the energy sector. It too is in considerable transition. Gas will become a bigger part of the energy mix. It is a transition fuel – it's a relatively clean fuel. And we need, as the energy market transitions and the global economy changes, for our institutions to reflect that. The reform of the International Energy Agency is very important and it's good that Fatih Birol, the director, is committed to that as well. We had a very productive meeting with him Mr President. The IEA's membership should reflect the reality of the energy producers and consumers of 2015, not the 1970s.

Finally, may I just observe the significance of the German Chancellor's remarks about distributed energy. Just as in the telecommunications fields, mobile cellular technology overtook the need for large fixed line networks, especially in developing countries, so too does the potential for renewable energy, especially solar, coupled with storage. The big technological game changer in energy is efficient cost effective storage. The progress there is very rapid. That is a technological game changer upon which we should pay very close attention and particularly in terms of the development economics part of the G20's focus.

Thank you very much. And as I say, thank you very much President Erdogan for your chairmanship of the G20 this year and President Xi, we look forward to an equally outstanding presidency in Hangzhou next year.
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