



## **G20 Blueprint on Innovative Growth**

(Final)

### **I. Our Objective**

The global economy is at an important juncture. We are determined to show leadership and act in a spirit of partnership and inclusiveness to address new challenges and opportunities. We are committed to using all available policy tools - fiscal, monetary and structural - to foster confidence and strengthen growth. Moreover, we need to seize the historic opportunities presented by technological breakthroughs for global economic growth. We resolve to raise mid-to-long term growth potential through a commitment to innovative growth. This concept encompasses actions in support of innovation, the New Industrial Revolution and the digital economy. We also stress the important role played by structural reforms in this context. These actions can raise productivity, create jobs and unleash new economic potential, especially supported by macroeconomic actions. The Blueprint on Innovative Growth represents an important contribution from G20 to support strong, sustainable, balanced and inclusive growth and complements the efforts that G20 countries are already making in their Comprehensive Growth Strategies.

### **II. Our Overall Approach**

To ensure innovative growth, we endorse the following overall approach. We will demonstrate leadership and partnership, vision and ambition, and enhance the cooperation among members as well as between the public and private sectors, to advance innovative growth and address common challenges. In line with relevant existing multilateral treaties and agreements to which we are parties, including the TRIPs Agreement, we reaffirm the importance of adequate and effective intellectual property protection and enforcement for innovation, and support greater openness and the promotion of voluntary knowledge diffusion and technology transfer on mutually agreed terms and conditions. We further underline the importance of more open trade and investment regimes. We highlight the importance of inclusiveness to eradicate extreme poverty, reduce inequality and social exclusion and to bridge the digital divide. We encourage the creation of innovation ecosystems that catalyze creativity and support the combination of creative ideas with entrepreneurship, science and technology for innovative growth and job creation. We aspire to synergy in the discussion across work streams within the G20 and with international organizations and initiatives outside the G20. We will bear in mind the importance of flexibility given the variety of concerns and priorities of members in our work.

### **III. Our Actions**

#### **1. Innovation**

Innovation refers to the embodiment of an idea in a technology, product, or process that is new and creates value. An innovation is the implementation of a new or significantly improved product (good or service), or process which derives from creative ideas, technological progress, a new marketing method or a new organizational method in business practices, workplace organization or external relations. Innovation covers a wide range of domains with science and technology innovation as the core. Innovation is one of the key driving forces for global sustainable development, playing a fundamental role in promoting economic growth, supporting job creation, entrepreneurship and structural reform, enhancing productivity and competitiveness, providing better services for our citizens and addressing global challenges.

To further advance innovation and assist member countries to create innovative ecosystems, we adopt *the G20 2016 Innovation Action Plan* which outlines the guiding principles and actions for encouraging innovation. We are committed to encouraging the adoption of pro-innovation strategies, policies and measures and supporting investment in STI, creating an online G20 Community of Practice for innovation policy and a 2016 G20 Innovation Report prepared by the OECD, stimulating close dialogue with innovation partners and stakeholders, while encouraging discussion on open science and finding innovative solutions to global challenges.

## **2. New Industrial Revolution**

The New Industrial Revolution (NIR) presents new opportunities for industry, particularly manufacturing and manufacturing-related service industries, to transform production processes and business models and enhance mid-to-long term economic growth. Significant advances are being made in many emerging technologies, such as the Internet of Things (IoT), Big Data, cloud computing, Artificial Intelligence (AI), robotics, additive manufacturing, new materials, augmented reality, nanotechnology and biotechnology. These technological developments are enabling smart manufacturing, customization, collaborative production and other new production modes and business models. However, there are also challenges for enterprises, workers, consumers, governments and other stakeholders in this new environment. We will make best efforts to identify these challenges and opportunities in developed and developing countries to minimize social costs and take full advantage of the opportunities presented by the NIR.

To promote the development of NIR and as a major source of economic growth, we adopt *the G20 New Industrial Revolution Action Plan* which outlines the guiding principle and actions for advancing the NIR agenda. We are committed to pursuing further work to strengthen communication and cooperation on the NIR and relevant research, facilitating ways for SMEs to benefit from the NIR, addressing necessary employment and workforce skills challenges, enhancing cooperation on standards, deepening exchanges and cooperation on new industrial infrastructure, ensuring intellectual property rights protection in line with relevant existing

multilateral treaties and agreements to which we are parties, including the TRIPs Agreement, and supporting industrialization in developing countries. We therefore request the OECD, jointly with the UNCTAD and the UNIDO, to prepare a report that provides an overview of opportunities and challenges brought about by NIR and to report back by the end of 2016.

### **3. Digital Economy**

During their meeting in Antalya in 2015, the G20 Leaders recognized that we are living in an age of Internet economy that brings both opportunities and challenges to global growth. The digital economy refers to a broad range of economic activities that includes using digitized information and knowledge as the key factor of production, modern information networks as the important activity space, and the effective use of Information and Communication Technology (ICT) as an important driver for efficiency-enhancing and economic structural optimization. In 2016, the G20 suggests ways to collectively leverage digital opportunities and cope with challenges, in order to enable a thriving and dynamic digital economy, which drives global growth and benefits all.

To achieve the goals set above, we adopt the G20 Digital Economy Development and Cooperation Initiative. We are committed to unleashing the potential of the digital economy by providing favorable conditions for its development, including reaffirming the goal of ensuring the next 1.5 billion people are connected and have meaningful access to the Internet by 2020 in accordance with the Connect 2020 agenda, through expanded and affordable broadband access as well as improving quality, promoting the flow of information for economic growth, trust and security, recognizing that freedom of expression and the free flow of information, ideas, and knowledge, are essential for the digital economy and beneficial to development, as reaffirmed in paragraph 4 of the Tunis Commitment of WSIS and that applicable frameworks for privacy and personal data protection, as well as intellectual property rights, have to be respected, promoting investment in the ICT sector, supporting entrepreneurship and promoting digital transformation, encouraging e-commerce cooperation, enhancing digital inclusion and promoting policies that support MSMEs to use the ICT technology more effectively. We will offer policy support for an open, and secure ICT environment, including recognizing the key role of adequate and effective protection and enforcement of intellectual property rights to the development of the digital economy, as reaffirmed by paragraph 26 of the G20 Antalya Communique, promoting cooperation with respect to independent choice of development path, cultivating transparent digital economy policy-making, supporting the development and use of international standards, strengthening confidence and trust and managing radio frequency spectrum to promote innovation. We commit to cooperate and continue to work closely on these matters including through further relevant research and exchange. We welcome international organizations, particularly the OECD and IMF, supported by our national statistical organizations, intensifying their efforts to improve the measurement of the digital economy, its macroeconomic and other important policy consequences.

#### **4. Structural Reform**

Against the backdrop of weaker than desirable global recovery, structural reform is key to boost productivity and potential output. Hence it plays an essential role in achieving strong, sustainable and balanced growth, as well as promoting innovative growth. In 2016, in the context of the Framework Working Group for Strong, Sustainable and Balanced Growth under the Finance Track, we worked closely on the Enhanced Structural Reform Agenda (see the Hangzhou Action Plan) and achieved tangible outcomes. We identified nine priority areas of structural reforms, including promoting trade and investment openness; advancing labor market reform, educational attainment and skills; encouraging innovation; improving infrastructure; promoting fiscal reform; promoting competition and an enabling environment; improving and strengthening the financial system; enhancing environmental sustainability; promoting inclusive growth. We developed and endorsed a total of 48 guiding principles for the priority areas which provide useful and high-level guidance to members, while allowing us to account for the specific national circumstances. We also endorsed a common set of core indicators, comprising policy and outcome indicators, to help monitor and assess the progress and effectiveness of G20 members' structural reform efforts as well as their adequacy to address structural challenges. As endorsed, the Enhanced Structural Reform Agenda will be incorporated into the existing work stream under the Finance Track as a tool to help assist members' structural reform efforts. We will implement and improve over time the Enhanced Structural Reform Agenda, and call on the International Organizations (IOs) to provide continuous support, while noting that the choice and design of structural reforms are consistent with countries' economic conditions.

#### **IV. Our Cross-Sectoral Actions**

Several cross-sectoral issues are identified by G20 members, which require particular attention and a coordinated approach.

##### **1. Enhancing multi-dimensional partnership**

We are committed to communicating and sharing information on national strategies that promote innovative growth, through dialogues to increase collaborative research as appropriate and working together to address common challenges. We commit to enhance the partnership between public and private sectors as appropriate and the partnership between large companies and MSMEs while recognizing the importance of the business sector among others in realizing the benefits of innovation and entrepreneurship. We will continue to adopt a comprehensive approach, by taking advantage of different fora and events, to advance cooperation among different work streams and engagement groups in relevant areas, particularly on the issues such as employment, digital financial inclusion and development, to promote strong, sustainable, balanced and inclusive growth.



## **2. Supporting developing countries**

We are committed to supporting developing countries to promote inclusive development in their effort to formulate strategies and programs taking advantage of STI, NIR and digital economy. We recognize the critical role of adequate and effective protection and enforcement of intellectual property rights in stimulating STI, industry and digital economy development, support international cooperation and voluntary technology transfer on mutually agreed terms and conditions. We support the Technology Facilitation Mechanisms of the United Nations in its efforts to promote coordination, coherence, and cooperation on STI-related matters. We note steps taken to launch the Technology Bank for the Least Developed Countries pursuant to the UN GA resolution A/Res/70/294. We support developing countries to share best practices and programs, optimize resource usage to promote sustainable development and social inclusion and promote awareness of environment-friendly technologies. We also recognize the potential of our innovative growth agenda to facilitate the achievement of Goals of the 2030 Agenda for Sustainable Development.

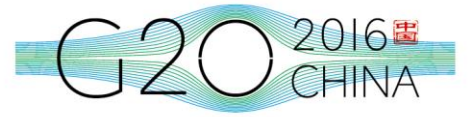
## **3. Improving skills and human capital**

We are committed to improving training and skills for innovation and enhancing policies to facilitate entrepreneurship, innovation and participation in the new industrial revolution and the digital economy. We recognize the importance of adaptable labor markets for responding to the challenges of the new innovative economy, and welcome the G20 Entrepreneurship Action Plan and the G20 Initiative to Promote Quality Apprenticeship. We support policies that encourage the mobility of STI human resources, efforts to forecast the future demand for new skills, and the use a variety of policy measures and technical means to bridge the digital divides and enhance digital inclusion. We commit to explore new methods to facilitate communication, talent exchange and training between developed and developing countries. We encourage communication and cooperation among universities, training providers and businesses with respect to the content of curricula, skill requirements, and the promotion of skill dissemination, in particular digital skills. The role of youth and women in innovation and entrepreneurship for job creation should be highlighted and supported, and we commit to take steps to expand access to quality skills training and education.

## **V. Our Way Forward**

We attach great importance to the implementation of the Blueprint and will monitor progress in this area. We will set up a G20 Task Force supported by the OECD and other relevant IOs to take forward the G20 agenda on innovation, new industrial revolution and digital economy, subject to the priorities of the respective future G20 presidencies, ensuring continuity and consistency with the results so far, and promoting synergies with other G20 work streams.

We acknowledge the contributions made by the OECD, UNIDO, UNCTAD, IMF, World Bank



Group and other international organizations to the formulation of the G20 Blueprint on Innovative Growth, and look forward to continued support from these organizations.

