

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Statement by Treasury Secretary Lew at the G-20 in Shanghai, China**

2/27/2016

**SHANGHAI** – Let me begin by thanking our Chinese colleagues and the city of Shanghai for hosting the G-20 Finance Ministers and Central Bank Governors for two days of important and thoughtful meetings.

During these meetings, I underscored that American economic growth remains one of the bright spots of the global economy. U.S. businesses have added 14 million new jobs over 71 straight months, extending the longest streak on record. Unemployment has fallen below 5 percent for the first time since February 2008, our businesses have added 5.5 million jobs over the past two years—the most in any two-year period since 1999—and President Obama’s policies continue to lay the foundation for durable economic growth and broadly shared prosperity.

That said, global growth has been modest and uneven, and there remains a shortfall of aggregate demand. That is why it is important that today the G-20 countries have agreed that we will use all policy tools – monetary, fiscal, and structural – individually and collectively – to preserve and strengthen the economic recovery. We need to redouble our efforts to boost global demand, rather than relying on the United States as the consumer of last resort.

It is also important that all G-20 members honor their commitments to refrain from competitive devaluation, and to not target exchange rates for competitive purposes. Here in Shanghai, we have not only reaffirmed the commitments that we agreed to last year in Turkey, but have gone a step further in agreeing to consult closely on exchange rate policy.

Over the past two days, we have continued to support the G-20’s implementation of the Base Erosion and Profit Shifting project as well as the core financial regulatory agenda. The G-20/OECD BEPS project was endorsed by the G-20 Leaders in Antalya in November and will contribute greatly to limiting the ability of companies to shift income into low and no-tax jurisdictions.

On financial regulatory reform, we emphasized the need to follow through on our G-20 reform agenda, particularly in implementation of resolution and derivatives reforms. We discussed the significance of the passage of the 2010 IMF quota and governance reforms and acknowledged the importance of the IMF having the resources it needs to fulfill its mission. We also emphasized the importance of working together to accelerate progress toward global financial inclusion, which will improve economic growth by connecting consumers and small businesses to the financial system.

And finally, I continued ongoing discussions with our Chinese counterparts on the importance of China implementing the market-based economic reforms to which it has committed. The United States believes that China has the necessary tools, including through fiscal policies, to support household demand and succeed in its economic transition. The Chinese leadership has committed to not using the exchange rate to boost exports. As I travel on to Beijing and Hong Kong in the next several days, I will continue to emphasize that clear communication to the market is critical during this transition – and the United States continues to underscore the importance of China carrying out this transition in an orderly and transparent manner.

We want to see China make this transition, because we recognize that China’s success is in the interest of the global economy, of which we are all a part.

With that, I am happy to take your questions.

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