



Marseille, 9 September 2011

Agreed terms of reference by G7 Finance Ministers and Central Bank Governors

We met at a time of new challenges to global economic recovery, with significant challenges to growth, fiscal deficits and sovereign debt, stemming from past accumulated imbalances. This is reflected in heightened tensions in financial markets. There are now clear signs of a slowdown in global growth. We are committed to a strong and coordinated international response to these challenges.

We are taking strong actions to maintain financial stability, restore confidence and support growth. In the US, President Obama has put forward a significant package to strengthen growth and employment through public investments, tax incentives, and targeted jobs measures, combined with fiscal reforms designed to restore fiscal sustainability over the medium term. Euro area countries are implementing the decisions taken on July 21 to address financial tensions, notably through the flexibilisation of the EFSF, reaffirming their inflexible determination to honor fully their own individual sovereign signatures and their commitments to sustainable fiscal conditions and structural reforms. Japan is implementing substantial fiscal measures for reconstruction from the earthquake while ensuring the commitment to medium-term fiscal consolidation.

Concerns over the pace and future of the recovery underscore the need for a concerted effort at a global level in support of strong, sustainable and balanced growth. We must all set out and implement ambitious and growth-friendly fiscal consolidation plans rooted within credible fiscal frameworks. Fiscal policy faces a delicate balancing act. Given the still fragile nature of the recovery, we must tread the difficult path of achieving fiscal adjustment plans while supporting economic activity, taking into account different national circumstances.

Monetary policies will maintain price stability and continue to support economic recovery. Central Banks stand ready to provide liquidity to banks as required. We will take all necessary actions to ensure the resilience of banking systems and financial markets. In this context we reaffirm our commitment to implement fully Basel III.

We reaffirmed our shared interest in a strong and stable international financial system, and our support for market-determined exchange rates. Excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability. We will consult closely in regard to actions in exchange markets and will cooperate as appropriate.

We look forward to working with our colleagues in the G20 and the IMF in the coming weeks to rebalance demand and strengthen global growth. As previously agreed, structural reforms will make an important contribution in this regard.