

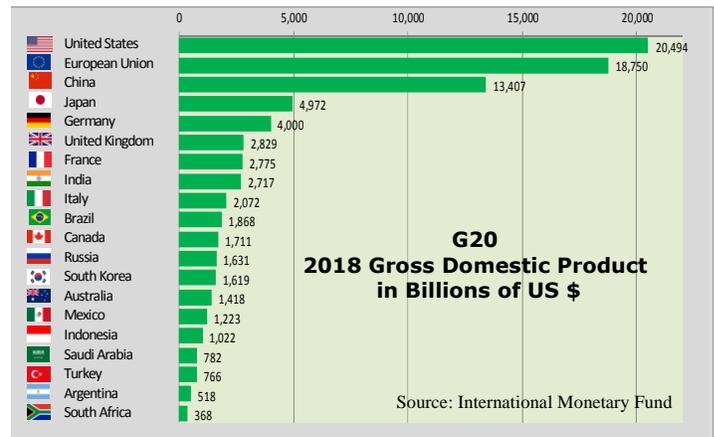
## Group of Twenty

In 1975, the first international forum comprised of the leaders of the six major industrialized countries was formed as the whole world was reeling from recession triggered by the first oil shock. In 1976 *France, West Germany, Italy, Japan, the United Kingdom, and the United States* were joined by *Canada*, which henceforth became known as the **Group of 7** (or **G7**).

Initially the G7 was formed to provide a venue for the developed, non-Communist world powers to tackle the overwhelming economic problems of the 1970s, specifically the global recession sparked by the OPEC oil embargo. With the East-West conflict, Cold War politics invariably entered the groups concerns. Today's G7 agenda reflects a more comprehensive vision of global concerns-

- ⇒ Equal access to education and health services
- ⇒ Protecting our planet through climate control
- ⇒ Ensure fair and equitable trade and tax policies
- ⇒ Defend against security threats and terrorism
- ⇒ Tap opportunities of digital technology

Three decades ago the aggregate gross domestic product of the G7 member states represented 70% of the global economy. With the rapid growth of emerging countries, the G7 has now lost its economic dominance declining to less than 50% of global output. Ultimately, the demands of these growing emerging countries to



This year's annual G20 Summit was hosted by Shinzō Abe, Prime Minister of Japan, last week in Osaka, Japan. However, this Group of 20 summit was upstaged by a planned 90 minute meeting between US President Trump and China's President Xi Jinping (*Shee Jin Ping*) on the sidelines of the conference. The world was watching to see if their professed personal chemistry could overcome the fundamental conflict between the two nations.

Trump and Xi agreed last Saturday to restart the failed trade talks temporarily avoiding escalation of their trade war that has disrupted global markets. They agreed to a cease-fire on new tariffs and to resurrect the broken trade negotiations. The seemingly intractable differences between our



participate on the global stage, especially due to China's rapid rise to the second largest economy, hastened the formation of **The Group of 20** in 1999. Today the G20 takes the center stage from the G7. The **G20** consists of 19 individual countries, among the 32 largest economies, and the European Union. The combined Group of 20 represents over 80% of the global economic output.

countries will remain a high hurdle when talks resume. A fair playing field may not be attainable, but the bottom line is to thaw this icy relationship and instill cooperation between the two largest economies in the world.