



GLOBAL ECONOMY AND OIL

1. A strong global economy is of key importance to each of our countries and to the world as a whole. Global growth in 2004 was strong, underpinned by supportive macroeconomic policies and growth in trade along with increasing regional and global integration. Growth is expected to remain robust, although at a more moderate pace.
2. But challenges remain, especially persistent global imbalances and high and volatile oil prices. Differences in growth rates and saving and investment patterns among the key economies in many parts of Europe, Asia, and North America, have resulted in a widening of global imbalances. To promote a transition to more widely-shared global growth, a comprehensive set of policy measures is needed. We acknowledge our shared responsibility to sustain and maintain growth within our own economies. We agree that we must all play our part through vigorous action to address global imbalances and foster growth. We are committed to concrete and credible actions, including:
 - continued fiscal consolidation to increase national savings in the United States;
 - actions to raise productivity in Canada;
 - further structural reforms in Russia, and in the European Union, to boost growth, employment and domestic demand;
 - and further structural reforms, including fiscal consolidation, in Japan.
3. We recognise that these necessary actions to help secure an orderly unwinding of global imbalances are in our own best interest, as they will promote sustainable growth and employment in our economies at the same time. In this context, we emphasise the importance of reforms to increase flexibility, raise productivity and enhance job creation. This will be critical in boosting medium-term growth, supporting macroeconomic stability and meeting demographic challenges.
4. Strong global growth has boosted energy demand and, together with capacity constraints and supply uncertainties, has led to high and volatile oil prices. We discussed the risks that sustained high energy prices pose for global economic growth. Oil demand is currently projected to continue its strong growth. Significant investments will be needed, in the short-, medium-, and long-terms, in exploration, production, and energy infrastructure to meet the needs of a growing global economy. A number of measures could help to ease the tightness of the oil market.

5. We agreed that secure, reliable and affordable energy sources are fundamental to economic stability and development, and recognised the important role that energy conservation and efficiency, technology and innovation can play. And we have separately published a Plan of Action on these issues in addressing climate change.
6. We encourage oil-producing countries to take all the necessary steps to foster a favourable investment climate sufficient to support strong global economic growth. In particular, oil-producing countries should ensure open markets with transparent business practices and stable regulatory frameworks for investment in the oil sector, including increased opportunity for foreign investment. In this context, we emphasise the important role played by the dialogue between oil producing countries and oil consuming countries in the International Energy Forum (IEF). Furthermore, we agree to consider measures to encourage the expansion of refinery capacity.
7. We emphasise the need for concrete actions to reduce market volatility through more comprehensive, transparent and timely data. A factor exacerbating uncertainty is the lack of transparency in the markets, which could be ameliorated by a universally agreed reporting system for oil supply and demand to be applied by oil producing and consuming countries and oil companies. Reliable and timely data on supply, demand and stocks facilitate timely adjustment to shifts in supply and demand while contributing to more solidly based investment decisions. We therefore welcome and support the Joint Oil Data Initiative (JODI) launched by several international organisations, including the IEA, and now managed by the Secretariat of the International Energy Forum (IEF) and urges all countries to contribute to the success of this initiative, so that market transparency benefits considerably from the establishment of robust world oil market data.