World's major economies are confident about growth

By Martin Crutsinger and Paul Wiseman
THE ASSOCIATED PRESS

WASHINGTON — Finance officials of the world's major economies expressed confidence they can meet an ambitious goal of boosting global growth by $2 trillion over the next five years.

That's despite a variety of threats including rising political tensions over Russia's actions in Ukraine.

Finance ministers and central bank presidents of the leading rich and developing nations issued a joint statement that papered over substantial differences in such areas as central bank interest rate policies and whether to hit Russia with tougher sanctions because of its dealings with Ukraine.

The final Group of 20 communique pledged to keep working on concrete economic reforms that could boost global growth by 2 percent over the next five years. But finance officials concede that the economic reforms needed to achieve that goal will in many cases be politically difficult.

Australian Treasurer Joe Hockey said all the finance ministers realized that hard decisions would have to be made in terms of reforming labor market policies and dealing with budget deficits.

"It is hard but that is the only way we are going to grow the economy," Hockey, who is chairman of the G-20 this year, told reporters at news conference following the group's two days of discussions.

The finance ministers agreed to develop concrete proposals for each of their countries and present those plans at a September meeting in Australia in preparation for a G-20 leaders' summit on Nov. 15-16 in Brisbane that will be attended by President Barack Obama and leaders of the other nations.

The United States was represented in the discussions Friday by Treasury Secretary Jacob Lew and Federal Reserve Chair Janet Yellen.

Lew on Thursday had raised the possibility in a meeting with Russian Finance Minister Anton Siluanov on Thursday that the Obama administration was willing to impose "additional significant sanctions" if Russia escalates the Ukraine situation.

Treasury said in a statement that Lew described Russia's annexation of the Crimean Peninsula as "illegal and illegitimate."

That tough language from the U.S. was missing from the statement issued by the G-20, a group that includes Russia as a member.

Instead, the G-20 finance officials said they were closely monitoring the economic situation in Ukraine, "mindful of any risks to economic and financial stability."

The group endorsed the $14 billion to $18 billion loan package that the International Monetary Fund has developed to help Ukraine avoid a financial collapse. IMF officials have said the IMF support program will likely be approved by the agency's board.