

The 2017 G7 Summit in Taormina

On 26 and 27 May 2017, the G7 will hold its 43rd summit in Taormina, Italy. The summit is expected to focus on the global economy, foreign policy, security of citizens, and environmental sustainability. The EU will be represented by the Presidents of the European Council and Commission.

Background

The [Group of Seven](#) (G7) is an international forum of seven leading industrialised nations (Canada, France, Germany, Italy, Japan, the UK and USA). Decisions within the G7 are made on the basis of consensus. The outcomes of the summits are not legally binding, but compliance is high and their impact is substantial, as the G7 members represent a significant share of global GDP and global influence. The commitments from summits are implemented by means of measures carried out by the individual member countries, and through their respective relations with other countries and influence in multilateral organisations. [Compliance](#) within the G7 is particularly high in regard to agreements on international trade and energy. As the G7 does not have a permanent secretariat, the annual summit is organised by the G7 country which holds the rotating [presidency](#) each year. Traditionally, this country also determines the [agenda](#) of the summit, which includes a mix of fixed topics (discussed each time), such as the global economic climate, foreign and security policy, and current topics for which a coordinated G7 approach appears particularly appropriate or urgent. The preparatory and follow-up work, including the preparation of the final declarations which contain the key outcomes of each summit, is carried out by the governments' chief negotiators, known as [sherpas](#). The summit communiqué is politically binding on all G7 members. The presidency is currently held by Italy, to be followed by [Canada in 2018](#). The G7 has developed a network of supporting [ministerial meetings](#), which allow ministers to meet regularly to continue and prepare the work set out at each summit. G7 ministers and officials also meet on an [ad hoc](#) basis to deal with pressing issues, such as terrorism; from time to time, the leaders also create task forces or working groups to focus on specific issues of concern. The theme of the 2017 Italian presidency is 'Building the foundations of renewed trust', focusing on the link between policies and citizens' expectations. Its work programme has three pillars: (1) citizen safety; (2) economic, environmental and social sustainability and reduction of inequalities; and (3) innovation, skills and labour in the age of the next production revolution.

The [2016 Summit](#) was held in Japan with key [outcomes](#) in the areas of investment, taxation, trade, refugee flows and terrorism. The summit also addressed the issue of Chinese over-capacity in the steel sector. Leaders reaffirmed their desire to implement swiftly the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change and, on the issue of Russia, took a clear position in favour of the complete implementation of the Minsk agreements and respect for Ukraine's sovereignty.

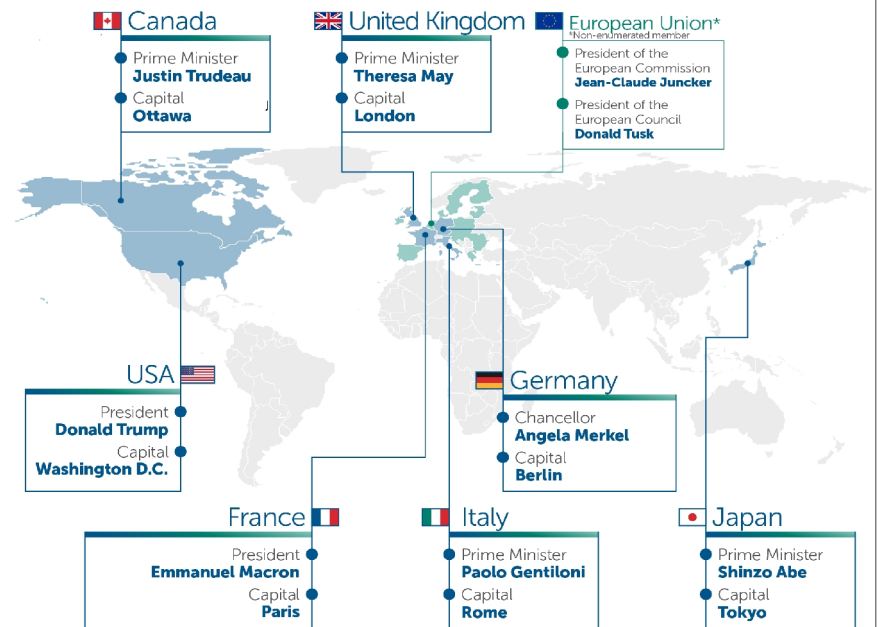
Issues for the 2017 Summit

The coming G7 Summit will be held on 26 and 27 May 2017 in Taormina, Sicily. A number of [ministerial meetings](#) are also being held throughout the year on relevant topics. The [summit](#) itself will focus on the global economy, foreign policy, security of citizens, and environmental sustainability. This year's context is particularly challenging for the G7. While global recovery is occurring slowly, the G7 economies still have [structural issues](#), and are suffering from residual effects of the 2008 economic downturn. In addition, rising inequality in wealth, and increasing unemployment have led to nationalism and protectionism in many countries. Multilateral agreements and institutions are facing a [crisis](#) related to the backlash against globalisation. The new [US President](#) himself has so far criticised multilateral arrangements in trade and climate, which the G7 endorse. In response to the aforementioned challenges, experts [suggest](#) the G7 should try to coordinate more on investment and corporate tax policies and should pursue a 'better trade agenda' while cooperating on measures to protect workers and to promote active employment. Emphasis should be



given to communicating to the public the benefits attained from globalisation. The [WTO's Ministerial Conference in December 2017](#) is the most appropriate forum at which the G7 [can reaffirm](#) a commitment to free trade and try to roll back some of the [more restrictive trade measures](#) passed by some G20 countries. The G7 have faced some disagreement on specific topics in the past months. In April, the G7 foreign ministers [failed](#) to reach an agreement to impose new sanctions on Russia. With the new US administration reluctant to endorse free trade (as [demonstrated](#) in the G20 finance ministerial in Germany earlier in the year), trade – which will be on the agenda in Taormina – may be a challenging issue, with Italy [calling](#) on G7 leaders – including the US President – to openly reject protectionism. President Trump's stance on climate change will also be a topic to watch at the summit. While he has often suggested he would withdraw his country from the [Paris Agreement](#), he has announced that he will only make this decision after the Summit. It is [expected](#) that the other G7 leaders, who all support the Paris plan to shift from fossil fuels to renewable energies by the end of the century so as to limit global warming, will discuss their stance at length with the US President, ahead of his decision. At the same time, other areas have received unanimous commitment from the seven countries. These include cybersecurity: the [G7 Finance Ministers' meeting on 12-13 May](#) recognised the threat represented by cyber incidents and called for appropriate policy responses.

Figure 1 – Participants, G7 Summit, Taormina



Data source: [G7 Presidency](#), 2017.

The EU in the G7

The European Community (later EU) became a [full participant](#) of the G7 in 1981. It takes part in discussions on all topics and sessions, but cannot hold the presidency or host a summit. [Studies](#) have suggested that the highest level of intra-EU coordination for the G7 (and G20) summits is found in the area of financial and economic affairs, and that coordination for the G7 tends to focus on EU-related matters that involve all EU Member States. The EU G7/G20 Sherpa (currently [Piotr Serafin](#)), informs the Member States about the state of preparation for summits, which are attended by the [Presidents](#) of the Commission and of the European Council. In April 2017, the EU High Representative [welcomed](#) the [Joint Communiqué](#) of the G7 Foreign Ministers, stating that they were in line with the EU's positions on various international issues, including Syria, the crisis in eastern Ukraine, the Middle East Peace Process, and security in Asia, Iran, Africa, Iraq and Libya. The Communiqué also endorsed the UN Secretary-General's calls for reform within the UN system.

The G7 was formed in 1975. Since then, the heads of state or government of the seven have convened [annual meetings](#) to discuss key global issues. There are no formal criteria for membership, but participants are all highly developed liberal democracies. Its members are all committed to the [shared values](#) of peace and security, freedom and human rights, democracy and the rule of law, prosperity and sustainable development. The group deals with such issues as global economic outlook and macroeconomic management, international trade, energy, climate change, and relations with developing countries. Recently, the summit agenda has broadened considerably to include a host of political-security issues. The original group (without Canada, which joined in 1976) held its first summit in Rambouillet, France, in November 1975. As of 1994, the G7 began to meet with Russia at each summit in an outfit referred to as the Political Eight (P8) and in 1998 Russia joined the G7 to form the G8. In March 2014 the G7 called for the G8 format to be [suspended](#) in response to Russia's conduct vis-à-vis Ukraine, which was considered to be inconsistent with the group's 'shared beliefs and responsibilities'. Today, the G7 [represent](#) approximately 10.3 % of the global population and 32.2 % of the world's GDP. Approximately one third of all exports worldwide come from one of the G7 states, and 36.7 % of all goods and services imported have a G7 destination. Moreover, the G7 provide close to 70 % of all official development assistance (ODA).