

# **Korea–Australia Cooperation for Overcoming the Global Financial Crisis**

**November 5, 2009**



**외교통상부**  
Ministry of Foreign Affairs And Trade



# Contents

**I**

**Korea–Australia Partnership**

**II**

**Korea–Australia Cooperation at G20**

**III**

**The Way Forward**



I

## Korea–Australia Partnership

## Longtime Allies

- Australia's participation at the Korean War
- Traditional allies since 1961

## Close Economic Ties

- Australia: Korea's 8<sup>th</sup> largest trading partner
- Natural resources and energy sector
- Korea–Australia FTA

## Regional Cooperation

- EAS, APEC, ARF, (ASEM)

## Active Communication at summit level

- PM Rudd's visit to Korea (August 2008)
- President Lee's visit to Australia (March 2009)
- Meetings at Washington, London and Pittsburgh G20 Summits
- Joint contribution to Financial Times (Sept. 3, 2009)

## Climate Change

- **Global Carbon Capture and Storage Institute (GCCSI)**
  - A global clearing house for all state for knowledge on CCS technology
  - Full cooperation to develop CCS technology



## II

# Korea–Australia Cooperation at the G20

- **The Global Financial Crisis and G20**
- **Common Stance**
- **Cooperation for the G20 London Summit**
- **Cooperation for the G20 Pittsburgh Summit**

- ✓ Housing market bubble
- ✓ Securitization
- ✓ Excessive risk taking by financial institutions
- ✓ Lack of supervision

**The worst global financial and economic crisis  
since the 1930s**

**A global crisis  
requires  
a global solution**

**G20 Summit**

## On G20

- ❖ The need to institutionalize the G20 Summit
- ❖ PM Rudd's support for Korea's bid to host the G20 Summit in 2010



(Pittsburgh Summit Declaration)

**“ Finally, we agreed to meet in Canada in June 2010 and in Korea in November 2010. We expect to meet annually thereafter and will meet in France in 2011.”**

### Agenda

- ❖ Fight against protectionism
- ❖ Toxic asset management
- ❖ Exit strategy



(London) “ **we reaffirm the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions...**”

(Pittsburgh) **A Framework for Financial Repair and Recovery**

(Pittsburgh) “**we will prepare our exit strategies and, when the time is right, withdraw our extraordinary policy support in a cooperative and coordinated way...**”

## Leading the Direction of the Summit Discussions

- Macroeconomic policy as well as Financial regulations
- Fight against protectionism

## Proposals on Toxic Asset Management

- A: International Framework for Toxic Asset Management
- K: Korea's proposal on dealing with impaired assets



**A Framework for Financial Repair and Recovery**

## Joint Article (Sept.3, 2009, Financial Times)

〈 The G20 can lead the way to balanced growth 〉

- **Challenges for the G20**
  - ✓ Follow through on existing commitments
  - ✓ Transition from crisis to recovery
  - ✓ Transition towards more balanced global growth
  
- **The need for G20 Summit in 2010**

## Joint Circulation on Exit Strategy (Sept.3, 2009)

- The need for international coordination for exit strategy
- General principles of the exit strategy

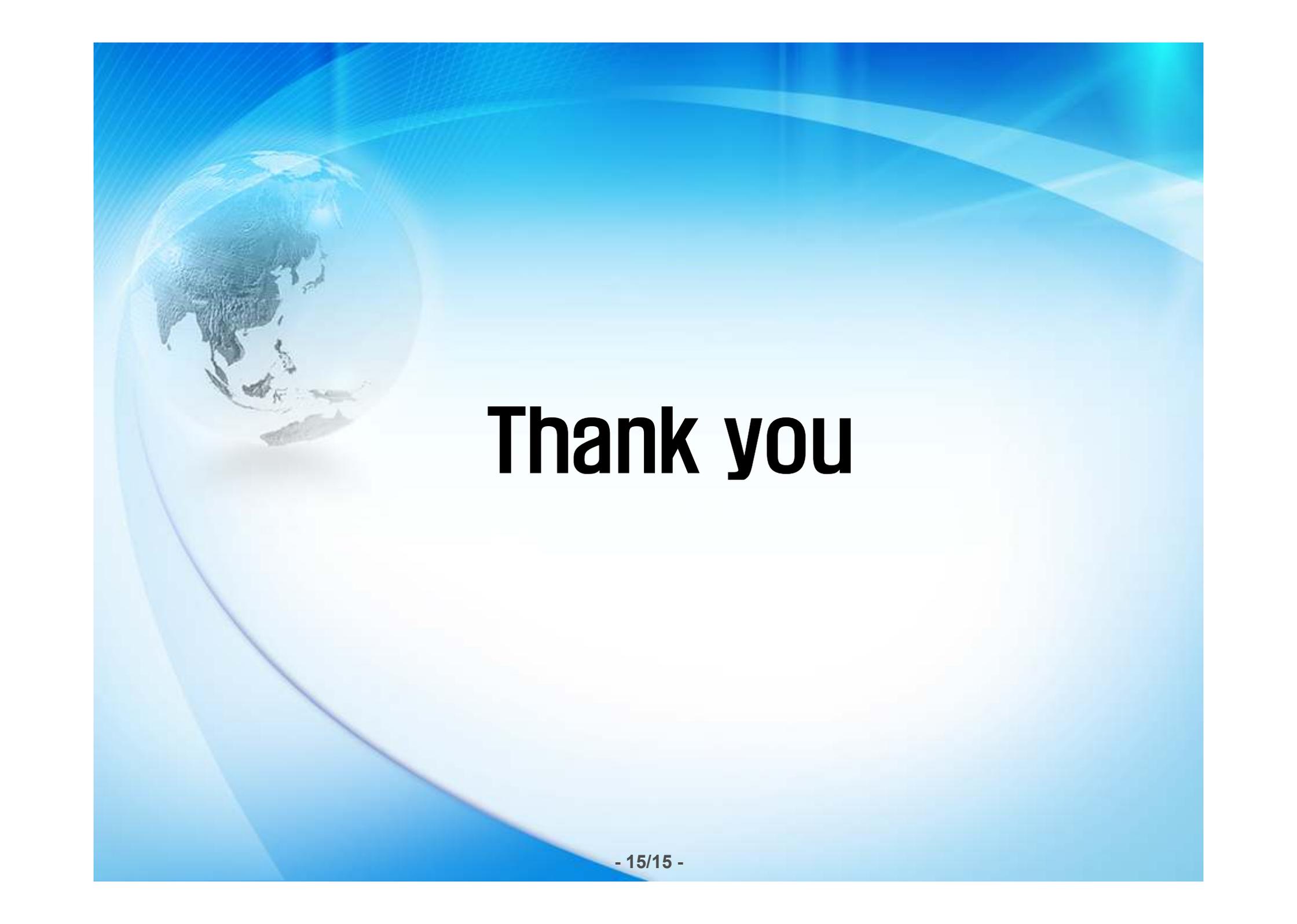
## Support for Korea's Bid to Host 2010 G20 Summit



## The Way Forward



**To Enhance Cooperation for the 2010 G20 Summit**

The background is a vibrant blue gradient with abstract, flowing light patterns. On the left side, there is a semi-transparent globe showing the continents of Asia and Australia. The overall aesthetic is clean and modern.

**Thank you**