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Barack Obama

Press Conference Following G20 Summit

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Good evening, everybody. Let me begin by thanking President Xi and the people of Hangzhou and China for the hospitality in hosting this G20 summit on the shores of beautiful West Lake. Thank you so much. Xie xie.

This visit offered the eighth opportunity for President Xi and me to meet. We agreed to advance our cooperation across a range of issues, including climate change, global health and development, peacekeeping, counter-narcotics, and nuclear security. We also addressed our differences on issues like religious freedom, maritime security, and a level economic playing field, but we did so in a clear, candid, direct, and I think constructive way. That has helped us to manage problems, and it's consistently helped us to improve relations between the United States and China.

This has also been my tenth and final G20 meeting. It goes by fast. And so before I take your questions, let me put into context what we've done over the course of our G20 meetings.



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And I think back to April 2009, when hundreds of thousands of Americans were losing their jobs and their homes and their savings each month, and unemployment was on its way to 10 percent. Around the world, for the first time in a generation, the global economy was contracting, trade was shrinking, and the international financial system was nearly frozen. By several key measures, the global economy was on a worse trajectory than it was at the outset of the Great Depression.

But the size and the scope of the crisis was not what made that London G20 historic. What made it historic was the speed and magnitude of our collective response. One nation couldn't solve the problem alone, so together, developed and developing nations alike, took a comprehensive and unprecedented set of actions to prevent another depression and set the stage for recovery.

Most important was to create jobs and growth by stimulating demand across our economies. And America led the way. By then, in just my first 10 or so weeks as President, we had already passed the Recovery Act, set in motion plans to rescue our auto industry, stabilize our banks, jumpstart loans to small businesses, and launch programs to help homeowners refinance and stay in their homes. And our G20 partners would follow with similar actions.

To stabilize the global economy, we rejected the protectionism that could deepen the crisis. We cooperated to keep markets open and trade finance flowing, and bolstered the international finance system's lending capacity to respond to countries that were hurting the most. And to prevent future crises, we took steps to reform our financial regulatory system -- including the historic Wall Street Reform that we passed more than six years ago.

These were the actions we took in 2009. They were actions that prevented another depression, and created conditions for the global economy to grow by more than 25 percent over the past seven years.

What we also did, though, was to elevate the G20 to become the world's premier forum for international economic cooperation. And that decision allowed us, as the global recovery progressed, to take further actions to strengthen the global economy. And that's what we came to Hangzhou to do.



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We've had long debates over the years about the best ways to promote sustained growth. But America's voice in the G20 has always been one of bold action, and that stance has been backed up by our economic performance. Since job growth turned positive in early 2010, America's businesses have created more than 15 million new jobs. We've cut the unemployment rate in half. And so far this year, wages have risen by almost 3 percent, which is much faster than the pace of inflation.

But one of the things that we learned through the G20 process is that more than ever our economies are interconnected and we've got more work to do together to keep the global economy growing. We have to do more to grow wages faster; to shrink inequality faster; to give everybody a shot at opportunity and security in a changing economy. And that should be the way forward for the G20 -- to make sure that the benefits of trends like globalization and technological progress are shared broadly by more workers and families who still feel like the global economy is not working for them.

And that's what we did here at this G20 Summit. We committed to using all of our policy tools to promote robust, inclusive growth that creates opportunity for young people and the middle class that they're working to join. We focused on making sure that businesses can compete fairly and all working families can take advantage of the new prospects the digital economy creates. And we reaffirmed our commitment to support emerging economies through an array of development initiatives.

We also discussed ways to unlock the mutual benefits that trade provides while keeping it fair for our workers and the playing field level for our businesses. And that includes high-standard trade agreements that actually benefit the middle class, like the TPP. That includes working together to abstain from unfair currency practices, and address corruption and global tax evasion. And it includes our agreement to establish a new forum to address some of the market-distorting policies in the global steel sector that have hurt workers and businesses.

We also added momentum to the fight to protect our planet for future generations. On Saturday, the U.S. and China formally entered the Paris Agreement. And today, the G20 welcomed efforts to enter the Paris Agreement into force by the end of this year.

So if there's anything that the past eight years have taught us, it's that the complicated challenges of the 21st century cannot be met without coordinated and collective action.



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Agreement is not always easy and results do not always come quickly. Respecting different points of view; forging consensus instead of dictating terms -- that can sometimes be frustrating. But it is how progress has been won and how it will be won in the future. It's how we've come as far as we have in the eight years since the crisis affected us all. And it's how the G20 can make progress for all people in the years to come.

So, with that, let me take some questions. And I will start with Roberta Rampton of Reuters.



Question: Thank you, Mr. President. I want to ask you about tomorrow, the next leg of your trip, a little bit. And tomorrow you're going to be meeting for the first time with President Duterte, and he's a leader whose war on drugs has led to the death of about 2,400 people in just the last two months since he took office. And today he said in a very colorful way that you better not bring this up. And I'm wondering, are you are committed to raising this with President Duterte? And are you concerned that meeting him legitimizes his approach on this issue?

President Obama: Well, I just came out of a long day of meetings, so I just heard about some of this. But I have seen some of those colorful statements in the past, and so, clearly, he's a colorful guy. And what I've instructed my team to do is to talk to their Philippine counterparts to find out is this, in fact, a time where we can have some constructive, productive conversations. Obviously, the Filipino people are some of our closest friends and allies, and the Philippines is a treaty ally of ours. But I always want to make sure that if I'm having a meeting that it's actually productive and we're getting something done.

We recognize the significant burden that the drug trade plays just not just in the Philippines, but around the world. And fighting narco-trafficking is tough. But we will always assert the need to have due process and to engage in that fight against drugs in a way that's consistent with basic international norms. And so, undoubtedly, if and when we have a meeting, that this is something that's going to be brought up, and my expectation, my hope is, is that it could be dealt with constructively.



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But I'll have my team discuss this. I've got a whole bunch of folks that I'm going to be meeting with over the course of the next several days. And, as I said, historically, our relationship with the Philippines is one of our most important, and my relationship with the Philippine people has been extraordinarily warm and productive. So I expect that will continue. But I want to make sure that the setting is right and the timing is right for us to have the best conversation possible.

Question: So you're not going to meet with him?

President Obama: Well I'm -- no, as I said, I'm going to just make an assessment. I just got out of these meetings. What is certainly true is, is that the issues of how we approach fighting crime and drug trafficking is a serious one for all of us, and we've got to do it the right way.

Michelle Kosinski.

Question: Thank you. Same subject, I guess, of colorful guys. What can you tell us about this hour-and-a-half-long meeting you had with President Putin -- the tone of it, any progress that was made? And do you agree with him that the relationship between our two countries is now frozen?

On the cyber front, Senator Reid recently cited intelligence briefings when he was expressing his suspicions that Russia is trying to meddle in the election and may even have direct ties to one of the campaigns. What can you tell us? Do you think Russia is trying to influence the U.S. election through hacking?

President Obama: Well, President Putin is less colorful, but typically the tone of our meetings are candid, blunt, businesslike --- and this one was no different. We had a range of issues that we had to discuss, but the two most important were, as has been reported, discussions that have been taking place between Secretary Kerry and Russia's Foreign Minister, Sergey Lavrov, about ways in which we can institute a meaningful, serious, verifiable Cessation of Hostilities in Syria, and our capacity to provide some humanitarian relief to families, children, women who are suffering enormously under the burdens of that war.



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As you'll recall, we had initiated a Cessation of Hostilities a while back. Initially, it did lessen some of the violence, and then slowly it unwound. And we're back into a situation in which Assad's regime is bombing with impunity. That, in turn, we think is actually strengthening the capacity of Nusra to recruit people who might not have initially been sympathetic to terrorism but now view anyone who's fighting against Assad as legitimized. And that is a very dangerous dynamic.

And so we have had some productive conversations about what a real Cessation of Hostilities would look like that would allow us both, the United States and Russia, to focus our attention on common enemies, like ISIL and Nusra. But given the gaps of trust that exist, that's a tough negotiation, and we haven't yet closed the gaps in a way where we think it would actually work. But my instructions to Secretary Kerry, and Mr. Putin's instructions to Mr. Lavrov was to keep working at it over the next several days -- because the faster we can provide some relief to folks on the ground, the better off we're going to be.

And that, then, is a predicate for us to be able to transition into a serious conversation about a political solution to this problem that would involve all the parties that have either directly or indirectly involved themselves in the Syrian conflict.

We also spent time talking about Ukraine. There is a Minsk agreement that arose out of the Normandy negotiations between Russia, Ukraine, France and Germany, but it hasn't been implemented. And I made very clear that until it is implemented, the United States is not going to pull down sanctions; that it is important for both sides to try to seize this opportunity in the coming weeks to finalize an agreement and to figure out a sequence in which that document is put into effect. And there was agreement not just between myself and Mr. Putin, but also with Chancellor Merkel and President Hollande, that that effort should increase in urgency over the next several weeks.

And so that what was constructive but not conclusive. And we'll have to see whether we can actually get this done, or whether, in fact, President Putin -- despite talking about wanting a negotiation and a solution -- in fact, is comfortable with this constant low-grade conflict along the Russia-Ukraine border.



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And finally, we did talk about cybersecurity, generally. I'm not going to comment on specific investigations that are still live and active. But I will tell you that we've had problems with cyber intrusions from Russia in the past, from other countries in the past. And, look, we're moving into a new era here where a number of countries have significant capacities. And, frankly, we got more capacity than anybody both offensively and defensively. But our goal is not to suddenly, in the cyber arena, duplicate a cycle of escalation that we saw when it comes to other arms races in the past, but rather to start instituting some norms so that everybody is acting responsibly.

We're going to have enough problems in the cyberspace with non-state actors who are engaging in theft and using the Internet for all kinds of illicit practices, and protecting our critical infrastructure, and making sure that our financial systems are sound. And what we cannot do is have a situation in which suddenly this becomes the Wild, Wild West, where countries that have significant cyber capacity start engaging in competition -- unhealthy competition or conflict through these means when, I think, wisely we've put in place some norms when it comes to using other weapons.

So that's been a topic of conversation with President Putin as it has been with other countries. We've started to get some willingness on the part of a lot of countries around the world, including through our G20 process, to adopt these norms, but we've got to make sure that we're observing them.

William Wan.

Question: Thank you, Mr. President. Heading into Laos, what are the main things you can offer its leaders? And what do you plan to push for in return? On the offering side, for example, I'm wondering how you view U.S. responsibility for unexploded ordnance. On the asking side, what are you pushing for most? Is it human rights? Closer U.S. ties in the face of China? Improving their problems with governance and corruption? What's the priority?

President Obama: Well, look, symbolically, it is important. I'll be the first U.S. President to visit Laos. And when you think about the history of the United States and Laos, I think it's useful to see what's happened in the evolution of our relationship with Vietnam, a country that I just visited recently.



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At the outset, as we're trying to build trust, a lot of work can be done around war legacy issues. For the Lao, that involves dealing with unexploded ordnance, which is still plaguing big chunks of the countryside. And since Laos is still a relatively poor country that is developing, their capacity alone to clean that up is hampered by a lack of resources. We should help. And my expectation is, is that, in our meetings over the course of several days, that we'll be able to provide some really concrete assistance that ensures that innocent kids who are running through a field, or a farmer that's trying to clear a field, or a business that's trying to get set up -- that they're not endangered by the possibility of an explosion.

Likewise, we have deep commitments to accounting for those who were lost during that war. And as was true with Vietnam, to the extent that we're able to find out more about our missing-in-action and our POWs, that not only provides enormous comfort and meaning for families and is consistent with our traditions, but it also ends up being a show of good faith on the part of the country, and a way for us to move into a next phase of a relationship.

And so a lot of the conversation I think will start there, but it doesn't end there. We've had an initiative, for example, helping all the countries along the Mekong Delta to find ways to harness development and deal with environmental issues. And that's something that we've been doing through ASEAN over the course of several years now. For us to be able to expand some of that work I think would be important. Establishing people-to-people exchanges is another area that historically has been important.

I do think Laos -- seeing the enormous economic progress that Vietnam and China and others have made, are going to be very interested in finding ways in which they can advance into the global economy and help themselves grow, and I think that we can be a useful partner there.

So I think there will be a broad-based agenda. But if you think about the visit I made to Ho Chi Minh City, and driving through those streets, and the enormous wellspring of goodwill that you saw -- that started with some of the same kinds of steps that we're going to be taking with Laos. But I think we can hopefully do it faster, make more progress faster than we did over the course of 10, 15 years, because we've learned some things. And I think Laos is very eager to engage with us, and we're eager to engage with them.

So I look forward to visiting what I hear is a beautiful country. Christi Parsons.



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Question: Thank you, Mr. President. On the Transpacific Partnership, how do you plan to sell this to these Asian leaders who still have work to do in their own countries, and with some political -- you know, it's not -- the politics aren't easy, and maybe they don't want to do that. So much of it seems like the future is rocky in the U.S. Can you -- the U.S. usually ratifies its trade deals. Do you plan to convey a sense of inevitability? Do you feel that for the lame duck session, even if it doesn't happen then, do you feel like it's inevitable anyway?

And, if I may, I wonder what you think about the silent protest of Colin Kaepernick? And I also wonder what you think about the public response to it, which is really divided. I mean, some police don't want to secure '49ers games, and many fans feel that he's giving voice to something they feel strongly. So I just wonder how you look at that.

President Obama: Well, with respect to TPP, I don't have to sell it to Asian leaders here who were part of the negotiations because they see this as the right thing to do for their own countries. And when you look at the architecture, the structure of TPP, what it does is open up new markets for us that are generally closed. Our markets are more open than theirs for the most part, so we benefit from a reduction in tariffs and taxes that are already in place.

But for many of them, what they benefit from is this trade deal is the spur, the incentive for them to engage in a whole bunch of structural reforms that they know, over the long term, will reinvigorate their economy.

So, for example, Prime Minister Abe of Japan, yes, he's having to make some difficult decisions about opening up markets that previously have been closed, but he's also looking at a couple of decades of stagnation and anemic growth. And what he said to the Japanese people is, if we want to break out of this, then we're going to have to change how we do business, and this provides us a road map of how we can become more competitive on the world stage.

Vietnam, that, for the first time, is debating in a very serious way how they can provide protections to their workers and allow them to participate and have voice and bargain for wages, and, yeah, that's tough politically for Vietnam. On the other hand, they recognize that if they want to move up the value chain in the global market that they've got to start abiding by basic norms.



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So the good news is they're ready to go. And what I'll be telling them is that the United States has never had a smooth, uncontroversial path to ratifying trade deals, but they eventually get done. And it's my intention to get this one done, because, on the merits, it is smart for America to do it. And I have yet to hear a persuasive argument from the left or the right as to why we wouldn't want to create a trade framework that raises labor standards, raising environmental standards, protects intellectual property, levels the playing field for U.S. businesses, brings down tariffs.

It is indisputable that it would create a better deal for us than the status quo. Nobody has been able to describe to me -- with all the general criticism of trade that you hear coming out of some quarters, nobody is able to describe to me how this would not be a significant improvement for U.S. workers and U.S. businesses going forward compared to the status quo.

And so I intend to be making that argument. I will have to be less persuasive here because most people already understand that. Back home, we'll have to cut through the noise once election season is over. It's always a little noisy there.

And in terms of Mr. Kaepernick, I got to confess that I haven't been thinking about football while I've been over here, and I haven't been following this closely. But my understanding, at least, is, is that he's exercising his constitutional right to make a statement. I think there's a long history of sports figures doing so. I think there are a lot of ways you can do it. As a general matter, when it comes to the flag and the National Anthem, and the meaning that that holds for our men and women in uniform and those who fought for us, that is a tough thing for them to get past to then hear what his deeper concerns are. But I don't doubt his sincerity, based on what I've heard. I think he cares about some real, legitimate issues that have to be talked about. And if nothing else, what he's done is he's generated more conversation around some topics that need to be talked about.

So, again, I haven't been paying close attention to it, but you've heard me talk about in the past the need for us to have an active citizenry. Sometimes that's messy and controversial, and it gets people angry and frustrated. But I'd rather have young people who are engaged in the argument and trying to think through how they can be part of our democratic process than people who are just sitting on the sidelines and not paying attention at all.



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And my suspicion is, is that over time he's going to refine how he's thinking about it, and maybe some of his critics will start seeing that he has a point around certain concerns about justice and equality. And that's how we move forward. Sometimes it's messy, but it's the way democracy works.

All right, last one. Angela Greiling Keane of Bloomberg.

Question: Thank you, Mr. President. The G20 group today discussed the importance of tax fairness and consistency among countries. For you, how much of that discussion was centered on the Apple case and the EU's decision? And how do you balance your efforts here to ensure global tax fairness with your need and desire to protect U.S. companies and their shareholders? And if I may, on one other business topic, how would you assess the likelihood of the actions taken on steel today of making a difference in overcapacity?

President Obama: Those are both great questions. This issue of tax avoidance and tax evasion is something that we have actively promoted as an issue for the G20 to tackle. We've worked with not only the G20 countries, but also some of the multilateral organizations, like the OECD, to refine how we can approach these problems. It's a complicated piece of business.

We did not bring up the specific case of Apple, because as a general rule, I don't want to bring up a single case in a forum like this where we're trying to shape broader policy. But at home, we have been focused -- whether it's on the inversion rules that we put forward, the proposals that we put forward to define who the beneficiaries are behind the veil so that we can catch people who are avoiding their taxes -- we're doing a bunch of stuff at home, and we want to coordinate better norms internationally.

The one thing that we have to make sure we do is to move in concert with other countries, because there's always a danger that if one of us acts unilaterally, that it's not just a matter of a U.S. company being impacted, but it may also have an effect in terms of our ability to collect taxes from that same company. And so you might end up with a situation where they pay into Europe, and the U.S. Treasury is shortchanged. So if there is not some coordination between various tax authorities, you get a problem there.



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In the same way, we think there has to be some coordination about even some of our closest allies racing to the bottom in terms of how they enforce their tax policies in ways that lead to revenue-shifting and tax avoidance in our country.

So this is not something that I think is going to be sorted out overnight. I do think that if we are to regain the trust of ordinary people but the system is not rigged, and deal with these trends of inequality that have risen out of globalization and technological change, that we've got to make sure we tackle this issue in an effective way.

And we've made some progress, but not as much as we need to. And my hope is, is that it's recognized that it's in the interest of all countries -- whether they're developed countries or developing countries -- to work together to put a stop to this. Because developed countries are losing revenue, and that erodes their tax base and their ability to educate kids and build universities and build infrastructure, but it also wallops developing countries because oftentimes tax avoidance can go hand in hand with corrupt practices that impede development.

In terms of excess capacity, this is an issue that we wanted to get on the agenda. We got it on the agenda. In my bilateral conversations with President Xi, there was an agreement that we would make progress on dealing with steel overcapacity -- which, by the way, is consistent with the plans that President Xi himself has had to reorient the economy so that it's not so heavily dependent on state-owned enterprises and an export model.

So, we've made some progress -- not as much as we'd like to see -- but some progress on that front bilaterally. Multilaterally, the way this was resolved was the G20 agreed to put together an intensive process of gathering all the data, determining what the best steps are, which will then be reported in the G20 in Hamburg next year. And I think there was a validation of the basic principle that, to the extent that overcapacity is the result not just of market forces but specific policy decisions that are distorting a well-functioning market, that that needs to be fixed.

And so it was one of a number of examples that aren't always sexy and don't attract a lot of headlines of where issues that we've raised in the G20 get adopted and then a bunch of work gets done, and the following year you start seeing action, and slowly we strengthen and build up international norms.



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If you look at the issue of IT and the digital economy, we were able to get the G20 to adopt a range of principles about an open Internet, net neutrality, making sure that businesses and vendors and providers aren't discriminated across borders, reflecting a lot of the foundational principles that have led to this digital revolution over the last several years.

And that will, in turn, generate a bunch of new work. And there will still be conflicts about how people deal with censorship or how they deal with cybersecurity issues, but we chip away at it, and over time what you get is sturdier international norms that everybody abides to and will help all countries grow and help people prosper.

So my parting words at the G20 were, having watched this process over the last eight years, I think we all have to recognize these are turbulent times. A lot of countries are seeing volatile politics. Sometimes you read the headlines and you can get discouraged about whether the international community and leadership are able to shape solutions fast enough for the scale of the problems -- whether it's migrants and refugees, or climate change, or terrorism, or making sure the international economy is working for everybody. But then when you look back over the course of eight years, actually you find out things have gotten better -- not always as fast as we'd like, but in significant ways.

You look at the progress we've made on the financial system. The American banking system now has 700 billion dollars more in capital; it is much safer and much sturdier. But it's not just us. Because of the G20, you also have a Basel III agreement in which all countries are having to strengthen their capital requirements and put in place some basic safeguards to prevent what happened at Lehmans. And that's true across the board.

So, as always, I'd always like to see even more get done, but I'm cautiously optimistic about the progress that we made. I tell my staff when they feel worn out sometimes that better is always good. It may not be everything that needs to get done, but if it's better than before we started, we'll take it.

All right? Thank you very much, everybody.