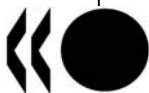


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**C/MIN(2010)2/CORR1**



Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

**25-May-2010**

**English text only**

**COUNCIL**

**C/MIN(2010)2/CORR1  
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**Meeting of the Council at Ministerial Level, 27-28 May 2010**

**DISCUSSION NOTES**

**Declassified**

**JT03284073**

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1. In Item 3, paragraphs 3.2 to 3.4 should read as follows:

**“3.2 The effects of the crisis on public finances and labour market conditions will linger for years to come.** Discretionary fiscal measures, the disappearance of revenue buoyancy from high and rising asset prices, cyclical revenue losses and benefit expenditure increases have resulted in a sharp rise in budget deficits, which peaked at 7¾ per cent of GDP in the OECD area as a whole in 2009. Gross government debt could exceed GDP in 2011 in the OECD area as a whole, about 30 percentage points higher than before the onset of the crisis. Debt-to-GDP ratios would still exceed pre-crisis levels in most countries, even if consolidation were sufficient to bring budgets back to balance **in the long term**. The OECD-wide unemployment rate is projected to peak at around **8½ percent** in mid-2010, falling slowly to around **8** per cent by the end of 2011. Despite the achievements of government interventions in terms of jobs saved, **at its peak this was** equivalent to about **20** million fewer jobs than pre-crisis employment in the OECD area.

**3.3 It is now important to ensure that a durable recovery takes hold and that long-term growth is restored.** New growth strategies are needed to strengthen long-term growth potential. This includes through structural reforms, harnessing new sources of growth, such as innovation and green growth, and employment policies that increase labour productivity and maintain workers connected to the labour market. We need to consider all possibilities to enhance employment and the participation of women is essential to achieve this. The participation of youth, the elderly, the immigrants and low skilled workers is also a key to long-term economic growth. Closing gender gaps and integration into the labour market are crucial mechanisms which we can improve the workings of the economy. OECD countries may have lost over **3** per cent of their potential output as a result of the crisis, in part because of higher unemployment. A major risk in some countries is that unemployment becomes structural in nature, as many of the unemployed drift into long-term joblessness and slide gradually into inactivity.”

**3.4 Global imbalances are beginning to widen again.** Structural policies in both OECD and non-OECD countries should contribute to addressing the medium term determinants of such imbalances while boosting long term growth. They are an essential complement to macroeconomic policies in the current context. Mutual assessment of macroeconomic and structural policies, along with the interactions between them, could play an important role in supporting the necessary policy actions in the context of these global imbalances.”

2. In Item 8, question for discussion 8.h should read as follows:

*“How can we assist **low income** countries with the formulation and implementation of their green growth strategies?”*