Minister Donohoe: Thank you very much. Good morning. I want to begin my comments by warmly welcoming on behalf of the government. Secretary Yellen, on what is her first visit to Ireland, since she was appointed as the US Treasury Secretary in January of this year. This visits by Secretary Yellen provides an opportunity for us to continue our engagement following our two meetings earlier this year, in June, at our g7 meetings in London, and in July, when it was my great pleasure to invite Secretary Yellen to join the Euro group meeting of finance ministers in Brussels.

This visit emphasizes the importance of Ireland to US relations, and the deep transatlantic ties between both countries. I look for forward to further demonstrating the strength of this relationship during the rest of our visits.

Secretary Yellen and I had just held a meeting, during which we discussed a range of matters, including recent economic developments and economic recovery, international trade and investment, and, of course, opportunities for transatlantic engagement and cooperation.

This discussion also provides us with an opportunity to take stock of recent global policy developments, including the historic agreement reached on international taxation within the OECD framework. Both of us recognized the importance of disagreement. Both of us agree that it brings much needed stability and certainty to the International Tax framework. We have a broad high level agreement on that the task ahead of us now is how we can ensure that ongoing detailed discussions continue on how the agreement will be implemented to deliver a system that supports innovation and economic activity. The work ahead will be demanding and ambitious. But I outlined to Secretary Yellen, that Ireland is absolutely committed to playing our part in implementing the agreement. Of course, we continue to have the ambition that our country will be a good place within which to do business.

We are indeed at a pivotal moment as we continue with this process. As we seek to recover from this pandemic, we took the opportunity to address shared challenges that affect our
societies and our economies. International cooperation and multilateral engagement is central to the relationship between the United States of America and Ireland. We believe this approach is the way in which we will realize the future which holds further potential and is sustainable for our citizens.

We discussed, of course, broader EU-US and global growth prospects. I outlined the work that is underway at Euro group with all of the aims and ambitions that we have across the coming weeks and months to pursue policies that will help to ensure that an economic rebound turns into a sustainable and fair recovery. We are well aware of the risks for our recovery. We monitor where we are with new variants for COVID. We are well aware of the supply bottlenecks and challenges that affect us. Of course, we're all acutely aware of the challenges that energy prices do pose and we are committed to our policy actions remaining agile, and closely coordinators. However, as we navigate through the next phase of this journey, we're going to build on what we have collectively delivered. We're building on a long standing, a deeply resilient transatlantic partnership that has been a pillar of the global economy. Secretary Yellen is a pillar of leadership in gliding the global economy to the challenges that we now confront. Together, I believe we have further potential to show leadership and addressing the challenges which we confront in moving forward in support of this endeavor.

Later today, myself and Secretary Yellen will participate in a number of events with the American Chamber of Commerce, and the Institute of International and European Affairs, and the Department of Finance in Dublin Castle. We will do this base on the basis of a friendship that stretches across the Atlantic, Ireland, the United States of America and Europe, looking to be a pivot to the kind of change and positive change that we want to see happen in our world. Secretary Yellen, it's again a great privilege to have you here in Dublin in Ireland, and the floor is yours.

**Secretary Yellen:** I am delighted to be here in Ireland, my first visit to the country as the United States Treasury Secretary. This is a special visit for me, highlighting the strong bond our two countries continue to share. A bond built on strong economic and cultural ties. A bond the United States is committed to preserving.

I would like to thank Minister Donohoe for his warm welcome on my first stop in Dublin. We had a constructive meeting, focused on our close economic relationship and how together – through economic diplomacy – the United States and Ireland are helping to stabilize the international tax system.
The Biden-Harris Administration is grateful, and I am personally thankful, for the stewardship of both the Taoiseach and Minister Donohoe during the OECD Inclusive Framework negotiations.

Ireland has joined 135 other countries – representing nearly 95% of the global economy – in agreeing to a new set of international tax rules, including a global minimum tax.

This is a historic, once-in-a-generation global agreement that will support efforts to promote sustainable and inclusive economic growth in all our economies.

Later, we will have a chance to hear from the business community in Ireland, where U.S. firms play a strong role.

American companies have flocked to Ireland thanks to a welcoming, efficient, and stable business environment; its well-educated workforce; and thanks to Ireland’s position in the EU. These factors will continue to make Ireland one of the most open and attractive places in Europe in which to do business.

Stable and prudent economic management also makes Ireland attractive to the private sector, both domestic and foreign. Throughout the pandemic, the Irish government has effectively guided the economy to reduce the negative impact of strict lockdown policies. The success of these policies shows in strong economic growth this year.

Thank you again, Minister Donohoe, and thanks to the people of Ireland, for hosting me. I look forward to a productive set of engagements during my trip and strengthening the already strong bond between the United States and Ireland.

**Reporter:** Thank you both for doing this. Obviously, the Irish government has talked a lot about how striking the at least clause before 15% was a big concession. So just a question to Secretary Yellen, is that do you agree that that might be the ceiling for this? Or do you think that there's room to increase that number over time? have you discussed that? you know, whether that at least being stricken is like sort of acknowledgment that that's the upper limit of where this goes?

**Secretary Yellen:** Yes, I think we have agreed that 15% is the global minimum tax. Now, of course, individual countries may choose themselves to establish a higher tax, but I expect many countries to adopt a 15% tax. I don't think that there's broad agreement on that. It works for many countries, and I don't think that that's something that is going to be reconsidered as a as a global minimum.
**Reporter:** I wanted to ask you about the conference, the UN climate conference coming up. Up until now, we haven't gotten to the 100 billion a year in spending that was promised. It doesn't look like that's going to happen until 2023. Now, how much of a problem is that? How do you feel that 20 billion, roughly GAAP? And then I just want to ask you, you gave an interview to the Washington Post my colleague and spoke about the debt ceiling. Can you say there on the domestic front what your perception, you know, what your view is on how to get that debt ceiling? Problem solved? Does that have to be done on a bipartisan basis? Or can the Democrats do it on their own? Thank you.

**Secretary Yellen:** Well, with respect to the Climate Commitment, I believe that the commitment is a five-year average. But we're very close to it this year, I think we're only a few billion dollars short this year, and actually working hard even now to try to close the gap. But, we remain very strongly committed to the resources, both the public resources and the mobilizing private capital, which is clearly necessary for developing countries in emerging markets to make the investments that's necessary to meet our common climate change obligations. This is a very high priority, where I'll be speaking to this in Glasgow, and we're very committed to mobilizing the promised and needed capital.

With respect to the debt ceiling, there are a number of ways in which the debt ceiling can be raised. What I've emphasized is that this is something that absolutely must be done. It's about America, paying bills that have already been incurred by past Congresses and past administrations. It's not about current policy. I strongly believe that it is a bipartisan responsibility to do this. There is a way for Democrats to do it entirely on their own. I know that will be one of the ways through reconciliation that the leadership will be considering. But we're going to work closely with Speaker Pelosi and Leader Schumer to try to come up with a way to do it by the December 3 deadline.

**Reporter:** I thank you very much. I have a question for Mr. Donohoe, who I'm wondering how concerned you and your European counterparts are after taking this plunge on the global tax agreement about the U.S. Congress implementing pillar one? And what might happen if they do not follow through on that. Thank you.

**Minister Donohoe:** So we have full confidence in the efforts that are underway that are led by Secretary Yellen with regard to this initiative, it wouldn't be at all appropriate or helpful for me to comment on what to detail of President Biden, Secretary Yellen and our representatives are engaging with at the moment with the House of Representatives and with the Senate. But very broadly, what the European Union and the finance ministers of the
European Union have now agreed is that we want to see global change happen. In order for us to reinforce the efforts that we're all making, we all know that we need to move together. So this is why in the coming weeks and months, you will see the commission begin to develop its proposal to do this. What we in turn would hope that will enable Secretary Yellen is to be able to point to the progress that is happening elsewhere. And to the fact that the friends and partners of the United States of America are playing our part in implementing this change. So we've absolute confidence in the work that is underway now with respect to this historic change in America. But this is a global change, in order, for everybody to have confidence that it's going to happen. We all need to play our part, and in Europe, we will be intensifying our work in this area in the next few weeks.

**Reporter:** And it has been reported that your interactions with Minister Donohue over the past year or so were a series of pep talks or an attempt to cajole Ireland into supporting the proposed a global minimum tax rate. Is that how you would characterize it cajoling and at what point do you think? What was the critical thing that enabled the Irish government to sign up to this package?

**Secretary Yellen:** Well, I really personally wouldn't use the word cajole, I think we've had very productive meetings in which we have tried to understand the viewpoint of Ireland, about these tax negotiations, and its needs in terms of being able to sign on to this. And also, Minister Donohoe has been terrific in trying to understand the U.S. perspective. So, I think we've had very productive exchanges views over the last number of months. And each of us, we've, we've worked with one another, and with all the other countries involved in this negotiation, to craft an agreement that every country feels at the end of the day, that we can stand in front of our own people and say, this is a good agreement, it serves our national interests, and it serves the global interests. I believe both of us, both of us feel that way. We wanted to make sure that that was true for Ireland. And, you know, is of course, as I said, Ireland is perhaps once upon the time, the low tax rate was important in attracting countries to Ireland. But, our strong views strongly held view is that Ireland has tremendous advantages as a country with an educated workforce and an excellent business environment, and that that will continue to serve Ireland's economic interests.

**Reporter:** Secretary, are you conscious that the OECD deal notwithstanding, you know, the global impact is likely to damage the public finances here and has caused a great deal of anxiety about the FDI model and jobs? The fact that large countries including the U.S. have really imposed that on small countries like Ireland, do you? Are you conscious that that has
damaged relations? And is this trip I suppose, in terms of this trip, is that about mending fences? And then for ministers? Who can you put a price at this point on what that process is going to cost in terms of cash foregone in Ireland?

**Secretary Yellen:** Well, I guess my perspective isn't fit this agreement is damaged small countries or emerging market countries. I think that globally, we have been over many decades, countries throughout the world involved in a process that has hurt workers and households in all of our countries, that is deprived all of us of revenue that we very much need to invest in our infrastructure, invest in our people invest in R&D, the investments that really promote growth, we have had a so called race to the bottom in terms of corporate taxation, and no country has really won that race. We've all been forced to compete with one another and lower tax rates. The only way to really in that, and to go to a system that promotes all countries interests, it's not some countries against other countries is that all of us need to hold hands and agree that we need to establish at least a minimum level of global taxation so that corporations here in Ireland and the United States and around the world are bearing their fair share of the tax burden. And it's not all falling on workers or leading to a situation in which we're unable to invest in our economies and our people.

**Minister Donohoe:** To add what Secretary Yellen has said they're the subject that we were dealing with was very difficult. The subject was difficult because there was a global mafia, and a global mafia in which nearly 140 countries had a deep stake in and for many would require change. And in particular, for Ireland, it would involve a very, very significant and seminole change. But even though the subject matter was difficult, the tone of our engagement on us was never difficult. The marshall was approached between Secretary Yellen and myself in one of friendship, one of cooperation and how we could find compromise. The fact that we mess on as many occasions as we did, and the fact that both of us are here today today, making the case for this agreement speaks to the value of a friendship that is resilient. that has approached a very challenging topic in one of cooperation. So this is not about imposition. This is about the government making the choice that it is in our long term economic interest, that we're in an agreement that stabilizes global tax policy, and being predictability to a topic that has been uncertain and volatile in recent years. And that, in that environment, I'm absolutely confident that our country will be competitive, will keep will retain, will attract jobs, but we will do so from a strengthened position of legitimacy inside a global architecture that is looking to respond back to issues that citizens in Ireland and America and all over the world expect to see change.
In relation to the issue of what will be the revenue loss for Ireland, we expect on the basis of the detail that is available to us that our corporate tax revenue, will in three to four years time in total, be 2 billion euro less than it otherwise would be without disagreement. However, this is a revenue loss, that we have now been included in our budgetary calculations since the end of 2019. So in each of the budgets that I have, given since that point, I’ve indicated to our government, to our parliament, and to our people, that a moment of change is coming and that we need to start planning for that moment of change. We did them. It is one of the reasons why as we move into next year, we want to be in a position that the only borrowing that we are engaging in is borrowing for capital investment for our future, not for day-to-day spending. We look to improve beyond that then in 2023. So, this is an agreement that while it does involve change, I believe is in the interests of Ireland to be part of under this for that reason, that we entered the agreement.

**Reporter:** my question is about copper, again, for Secretary Yellen. In the past, you've supported the idea of carbon pricing. Obviously, it's not very popular with voters, particularly but cops an opportunity to make some very bold gestures. Is it time now to introduce carbon pricing? in terms of an agreement, do you see some kind of agreement at COP? then just a supplementary question very quickly, do you? Are you afraid the US economy might be overheating?

**Secretary Yellen:** Well, I'm on carbon pricing, I see carbon pricing as a very efficient way of adopting a policy to deal with climate change. It has a lot to recommended in terms of efficiency. But remember that in the Paris Accord countries determine their own national contributions and are allowed to choose whatever policies they think best to achieve those objectives. In the United States, President Biden has proposed a robust series of policies to try to achieve our nationally determined contribution and some aspects of it may involve at least implicit carbon pricing through trading arrangements that may emerge. So, there is the possibility that some form of carbon pricing may be implicit in the arrangements for example, for the electricity sector, but I think each country has to decide what its population is able to support and to my mind, the most important thing is that countries are durably determined in adopting the policies that will bring down carbon emissions and promote active policies to combat climate change. Many European countries or neighboring Canada have adopted carbon pricing policies. We are very supportive of those policies, and are willing to work and are beginning to work very closely with countries in the European Union with Canada with other countries to make sure that our system merges appropriately with theirs. It's very easy to make sure that country's policies merge. Well, if every country adopts
a carbon tax or a carbon fee. But well, it's a little bit more complicated. Again, I'd say what's most important is the country's take meaningful and urgent action

I am sorry and then you asked.

I would not say that the US economy is really overheating. We're still 5 million jobs below where we were pre pandemic, and labor force participation has declined. I believe the reasons relate to the pandemic health concerns, childcare concerns, and the like. I believe that is the pandemic comes under control that labor supply, which is currently constrained. So a lot of firms are finding it difficult to hire, I believe that will change. We are experiencing inflation that's higher than we've seen in a number of years. Again, I think this is pandemic related. In part, there's been a huge redirection of spending away from surfaces that involve direct contact, hotels, eating in restaurants, and toward goods and products. In the United States, the demand for durable goods has surged by over 30% that's combined with pandemic closures in parts of the world where we're reliant for supplies of semiconductors and other products. It's led to a series of bottlenecks, boats lined up that ports and, you know, shortages of semiconductors that have constrained vehicle production, and it has led to price increases, but I believe as we get beyond the pandemic. These pressures will ease and in that sense, I believe the inflation is transitory, and we don't have an economy that is in the longer run since overheating.