

U.S. DEPARTMENT OF THE TREASURY

Joint Statement by Secretary of the Treasury Janet L. Yellen and Japan Finance Minister Suzuki Shunichi

July 12, 2022

TOKYO — Ahead of the G20 Finance Ministers and Central Bank Governors Meeting in Bali, Indonesia, Secretary of the Treasury Janet L. Yellen and Japan Finance Minister and Minister of State for Financial Services Suzuki Shunichi held an in-person bilateral meeting in Tokyo. Following the meeting, they issued the following joint-statement agreeing to further strengthen the U.S. and Japan's bilateral ties and affirming the pivotal roles played by both countries in tackling the difficult challenges facing the global community:

We renew our strong commitment to address challenges facing the global and domestic economies, including higher food, energy and commodity prices and growing food insecurity, compounded by Russia's war of aggression against Ukraine. We call on the International Financial Institutions (IFIs) to implement the commitments in their Action Plan to Address Food Insecurity. We will provide well-targeted support and build a more resilient and stronger supply chain in close collaboration with like-minded countries and international organizations. The economic fallout from Russia's invasion has raised exchange rate volatility, which can have adverse implications for economic and financial stability. We will continue to consult closely on exchange markets and cooperate as appropriate on currency issues, in line with our G7 and G20 commitments.

We remain steadfast in our solidarity with Ukraine and continue to support Ukraine. We are united in our strong condemnation of Russia's unprovoked, unjustifiable, and illegal war against Ukraine and continue to increase Russia's cost of its war by implementing economic and financial sanctions. We welcome G7 efforts to continue exploring ways to curb rising energy prices, including the feasibility of price caps where appropriate, while considering mitigation mechanisms to ensure that most vulnerable and impacted countries maintain access to energy markets. We will work with the international community to coordinate and maximize the efficiency and impacts of bilateral and multilateral supports to address Ukraine's critical near-term economic challenges and safeguard macroeconomic stability, and we are

committed to supporting Ukraine in rebuilding for its future, based on a clear blueprint to be developed with the assistance of the IFIs.

On global health, we welcome the establishment of a Financial Intermediary Fund (FIF) at the World Bank as a new global financing mechanism dedicated to addressing financing gaps in pandemic prevention, preparedness and response (PPR). The FIF will complement the work of existing institutions and catalyze funding from domestic, private, philanthropic, and bilateral sources. We underscore the need for the FIF to launch and become operational by September of this year. We also highly value the meaningful, ongoing collaboration between Finance and Health Ministers as well as through the G20 Joint Finance-Health Task Force. We commit to further strengthening this coordination and building a resilient global health architecture, including through accelerating progress towards achieving Universal Health Coverage (UHC).

On climate change, we reaffirm our commitment to achieve economy-wide net zero emissions by 2050. We will promote a just transition that keeps the goal of limiting global warming to 1.5°C within reach through inclusive international cooperation that includes all the major emitters. We will focus on reducing carbon intensity through the full range of climate mitigation measures appropriately tailored to each country's emissions profile and context. We share our intent to continue to lead in developing a Just Energy Transition Partnership (JETP) for Indonesia.

As for debt issues, we underscore the importance of swiftly delivering successful country cases with increased predictability for those who have requested a debt treatment under the G20 Common Framework. We urge all relevant creditors, including non-Paris Club countries, such as China, with large outstanding claims on low-income countries facing debt sustainability challenges, to contribute constructively to necessary debt treatments. We emphasize the critical role of creditor coordination to ensure fair burden sharing among all creditors in a debt treatment for vulnerable middle-income countries, notably Sri Lanka. We also urge all official bilateral creditors to share lending data with the World Bank and IMF to secure accurate data through creditor-borrower debt data reconciliation.

On infrastructure, we reaffirm the importance of promoting high-quality, transparent, and sustainable infrastructure investments to narrow the infrastructure gaps in Asia-Pacific and other regions. To ensure the quality and value of our investments, we will deliver projects based on the G20 Principles for Quality Infrastructure Investments (QII) and encourage the use of QII principles by our partners. We will continue to work bilaterally, multilaterally with G7

partners under the Partnership for Global Infrastructure and Investment, and with like-minded partners.

On international taxation, we reaffirm our firm commitment to the timely and effective implementation of the OECD/G20 Inclusive Framework two-pillar solution. We welcome the progress made on the technical detail of Pillar 1 and are committed to work towards its adoption following the revised timeline agreed by the Inclusive Framework. We will continue to work toward the swift implementation of Pillar 2 and expect the Inclusive Framework to swiftly finalize the implementation framework.

We extend strong support for the review of G20/OECD Principles of Corporate Governance, and affirm the role of sound corporate governance frameworks in contributing to the economic recovery in the post COVID-19 era.

At this critical juncture in history, Japan and the United States, as the world's two largest democratic economies, resolve to promote strong, resilient, and sustainable economic growth, and to strengthen the rules-based global economic order.

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