

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at Bilateral Meeting with European Commission Executive Vice-President and Trade Commissioner Valdis Dombrovskis and European Commissioner for Economy Paolo Gentiloni

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As Prepared for Delivery

Thank you, Commissioner Dombrovskis and Commissioner Gentiloni for meeting with me here today.

The global economy faces a number of immediate macroeconomic challenges and the United States is committed to coordinating and communicating about those headwinds and our responses.

Like our colleagues in Europe, the United States continues to work to address elevated inflation. This morning's CPI report shows that we have more work to do on this front. While here in the United States, the Federal Reserve has primary responsibility in price stability, our Administration is committed to doing what we can to bring down costs for families, including by addressing supply chain challenges and lowering the costs of essentials like health care.

As I said earlier this week, while there have been favorable indicators on easing of supply chain bottlenecks and softening of labor market pressures, we need to see sustained progress and bringing down inflation remains the President's number one economic priority.

We also continue to coordinate closely with the EU on our joint response to Russia's illegal invasion of Ukraine and its global spillover effects.

Since the onset of this brutal and unprovoked war, the U.S., European Union, and our allies have imposed historic sanctions on Russia for its actions.

Our goals have been two-fold: to deny Putin the revenue he needs to fund his military campaign, and to cut off his military-industrial complex from the technology and inputs it needs to equip his troops.

Working together, we've seen significant progress on both fronts.



Russia is largely cut off from Western capital markets, and the majority of major Russian banks have been severed from the global financial system.

The Russian economy is projected to contract this year and the next.

Lost investment, including hundreds of private sector companies that have left the country and are unlikely to return, and constraints on Russia's real economy will create a drag on Russia's growth prospects for years to come.

Putin's military is increasingly unable to get the equipment it needs to prosecute their war, and has been forced to turn to suppliers of last resort like Iran and North Korea for basic military gear.

At the same time, we have provided record amounts of both military and economic assistance to Ukraine. We are seeing on the battlefield the military edge this growing disparity is creating.

I also want to thank the European Union for its leadership in our work to put a cap on the price of Russian oil – which was included in the eighth sanctions package finalized last week.

This cap will help us keep global energy markets well-supplied even as we cut into Putin's most important source of revenue. I'm optimistic about the progress we are making on this together.

Our work to keep global energy markets stable is particularly important as Russia has attempted to use energy exports as a weapon against Europe. America stands in solidarity with the people of Europe and we are working tirelessly to ensure the European people have the energy they need this winter.

I'm looking forward to our other topics of conversation today, including the importance of getting economic assistance to Ukraine as quickly as possible, as well our shared goals to promoting macroeconomic stability globally and for our economies.

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