

Remarks by Secretary of the Treasury Janet L. Yellen at the U.S. – India Business and Investment Opportunities Event in New Delhi, India

November 11, 2022

As Prepared for Delivery

Thank you for that introduction. It's great to be here with all of you. Let me first express my thanks to Minister Sitharaman. I'm grateful for her warm welcome. I'm also appreciative of her partnership on a broad range of important issues over the past two years.

I'm thrilled to be back in India. During this trip, I've been reminded of the dynamism of the Indian people. The leaders gathered here today are an example of the vitality that makes India one of the fastest-growing major economies in the world. It's also been inspiring to witness how Americans and Indians are working together to strengthen our ties and drive economic growth for both of our countries.

We're meeting today at a moment where we see significant challenges for the global economy. The pandemic continues to exert a drag on economies across the globe. Putin's brutal war has claimed countless Ukrainian lives and livelihoods; it has also exacerbated food and energy insecurity across the world. Climate change continues to devastate communities with greater severity and frequency.

As President Biden said earlier this year, India is an indispensable partner to the United States. That's particularly true today. I believe that these urgent challenges are bringing India and the United States closer together than ever before. Our partnership is especially crucial as India prepares to assume the G20 presidency. Over the next year, we look forward to supporting India's presidency and making progress on our shared global priorities.

But today, I want to focus on our own bilateral economic relationship. I believe that we should strengthen trade and investment between India and the United States. Deepening our bilateral ties will reap significant economic benefits for both of our nations. At a time of global turmoil, I also believe that it will bolster our countries' resilience and national security.



The economic ties between the U.S. and India are stronger than ever before. As you know, the United States is India's biggest trading partner. And our bilateral trade recently reached an all-time high of over \$150 billion in 2021. Direct investment from India in my country supported over 70,000 jobs at the end of 2020. A broad range of American companies – from Whirlpool to Boeing to GE – invest in India. And Indian technology firms like Infosys and Mindtree are critical to the day-to-day operations of many American corporations.

Our close ties also extend to the next generation. We're grateful that 200,000 Indians are studying in America and enriching our schools and universities. As many of you know, our strong educational and research collaboration will lay the groundwork for future economic growth.

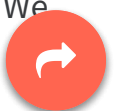
Our relationship has not only withstood, but thrived, at a time of global volatility. That's no surprise. Our countries share an economic dynamism that is tied to our democratic traditions: one that values new ideas while providing stability and predictability through the rule of law.

As we look to the future, I believe that the recent disruptions caused by the pandemic and Russia's war are a reason to further deepen our economic ties.

India is one of our trusted trading partners. In a world where supply chain vulnerabilities can impose heavy costs, we believe it's important to strengthen our trade ties with India and the large number of countries that share our approach to economic relations. This includes both developing and advanced economies. Our goal is to vigorously promote global economic integration while creating greater redundancies in our supply chain to mitigate concentration risks. We also want to diversify away from risky countries like Russia that seek to weaponize trade integration to advance their geopolitical aims.

We call this strategy "friendshoring." Modernizing our trade relationships in this way will pay dividends. Increased trade between our two countries can result in economic benefits for our people. It will also provide greater reliability and certainty for consumers and businesses on key goods and inputs. As Prime Minister Modi said, resilient trade in the 21st century requires trust, transparency, and timeliness. Deepening our integration will serve all three of these goals.

We are already seeing new supply chains develop in India. This includes manufacturing investments by American companies. Apple and Google have both announced plans to expand phone production in India. Hasbro, an American toy conglomerate, began shifting manufacturing from China to India and Vietnam in 2019. And it plans to continue doing so. We



will continue to build business and commercial ties through meetings like the U.S.-India Commercial Dialogue and CEO Forum.

Further, our government is partnering with India to grow local industries and connect them to global supply chains. We believe our investments will benefit both countries. For example, the U.S. International Development Finance Corporation has a very active portfolio in India – investing in projects from microfinance to renewable energy. Last year, it approved up to \$500 million in debt financing for America’s largest solar manufacturer to build a solar module production facility in Tamil Nadu. The loan is the largest single debt financing transaction in the institution’s history. Once finished, the facility will strengthen global supply chains by diversifying solar panel production. At the same time, it will support Prime Minister Modi’s renewable energy ambitions.

As we bolster our relationship, we can do so in a way that sets the standard for innovation and cooperation in the 21st century. Earlier this year, India and a dozen other economies joined the United States in establishing the Indo-Pacific Economic Framework. The Indo-Pacific region is projected to be the largest contributor to global growth over the next few decades. The countries in this Framework will help write rules for our new economy.

In all, I believe that the current moment, difficult as it is, will bring our countries even closer together. We have much to gain: for our economies as well as for our resilience and national security.

All of us in this room have a critical role to play. We look forward to working with government, industry, and civil society leaders as we deepen the relationship between our two countries.

Thank you.

###

