

Statement by Secretary of the Treasury Janet L. Yellen on the Announcement of the Price Cap

December 2, 2022

WASHINGTON – Secretary of the Treasury Janet L. Yellen released the following statement following the announcement of the price cap.

“Together, the G7, European Union, and Australia have now jointly set a cap on the price of seaborne Russian oil that will help us achieve our goal of restricting Putin’s primary source of revenue for his illegal war in Ukraine while simultaneously preserving the stability of global energy supplies. Today’s announcement is the culmination of months of effort by our coalition, and I commend the hard work of our partners in achieving this outcome.

The price cap will encourage the flow of discounted Russian oil onto global markets and is designed to help protect consumers and businesses from global supply disruptions. The price cap will particularly benefit low- and medium-income countries who have already borne the brunt of elevated energy and food prices exacerbated by Putin’s war. Whether these countries purchase energy inside or outside of the cap, the cap will enable them to bargain for steeper discounts on Russian oil and benefit from greater stability in global energy markets.

Today’s action will also help further constrain Putin’s finances and limit the revenues he’s using to fund his brutal invasion. With Russia’s economy already contracting and its budget increasingly stretched thin, the price cap will immediately cut into Putin’s most important source of revenue.

I look forward to further close coordination with our allies on implementation of the price cap, and on our united efforts against Russia’s unprovoked aggression.”

