

READOUT: Deputy Secretary Adeyemo's Meeting with Price Cap Coalition Deputies

January 20, 2023

WASHINGTON – On Friday, January 20, Deputy Secretary of the Treasury Wally Adeyemo met virtually with Deputy Ministers representing the global coalition of countries imposing the price cap on seaborne Russian crude oil (the Price Cap Coalition) to discuss their progress to date and identify further steps to finalize the price cap policy for Russian refined products. The meeting underscored the unity across members of the price cap coalition to hold Russia accountable through this historic policy.

Collectively, the Price Cap Coalition Deputies acknowledged the price cap on Russian crude oil's effect to date in accomplishing the Price Cap Coalition's dual goals of limiting Russia's revenues from oil exports and stabilizing global energy supplies. The Deputies agreed to an approach for refined products that will institute two distinct caps, in addition to the crude cap: one cap for products that generally trade at a premium to crude, such as diesel or gasoil, and one for products that trade at a discount to crude, such as fuel oil. The Deputies agreed that this approach will better calibrate the price cap policy for refined products, given the wide range of market prices at which these products trade.

As long as the price cap continues to meet the Coalition's dual goals, the Deputies agreed to undertake a review of the level of the crude price cap in March. This will allow the Coalition to take into account developments in global markets after the refined products caps are implemented, as well as allow the Coalition to be briefed on the results of the EU's technical review of the crude price cap.

###

