

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at Dinner with Latin American and Caribbean Finance Ministers



April 13, 2023

As Prepared for Delivery

I am happy to welcome you all to the Treasury Department. It is a pleasure to be sitting down with colleagues from across Latin America and the Caribbean.

We are gathering today in the wake of three years of momentous changes across the global landscape. Our macroeconomic, trade, security, and health frameworks have been forever altered by a confluence of geopolitical, health, and economic shocks.

But the events of the past three years have also brought about opportunities to become more resilient, to lift barriers to economic growth, to make smarter investments in inclusive societies, and to increase our appreciation of the planet and the friends and neighbors with whom we share it.

Together, we share values of democracy, freedom, and human rights.

We have been seeing and hearing each other on the margins of these important Spring Meetings of the IMF and World Bank, where I have been discussing a range of priorities with counterparts, including the global economic outlook and continued impact of Russia's war on Ukraine; evolution of the MDBs; and our continued work on sovereign debt vulnerabilities and climate change.

It is also important to use this week to connect with our own neighbors in a more intimate setting; hearing your concerns, sharing experiences, and figuring out how we can work together for a stronger, safer, and more prosperous hemispheric community.

This is what tonight's dinner is about.

We crafted the discussion agenda with a mind to recognize our shared challenges, leverage our comparative advantages, and strengthen our abilities to respond to the upheaval of the past three years and the challenges of today and tomorrow.

First, I invite discussion of our shared challenges to secure the gains of pandemic recovery while restoring macroeconomic buffers.

After the pandemic, all of us are facing raised expectations from our citizens for better government. We all learned hard lessons on the importance of flexible policy, and of having strong macroeconomic buffers.

At the same time, all of us are experiencing inflation that is higher, and more stubborn, than anticipated.

That inflation is also driving up borrowing costs and for some, limiting market access.

Several of my colleagues here have limits on their deficits, and the imperative of reducing debt will be challenging.

Next will be the topic of what some have called "friend shoring." Pandemic disruptions, Russia's invasion of Ukraine, and national security concerns arising from technology transfer to China's military-industrial complex have exposed the fragility of extended supply chains, and businesses are looking for solutions.

This is an enormous opportunity for all of us—not just those of us with critical minerals, but all who are looking to climb the value chain. I will be eager to learn from your approaches and discuss how our policies can be mutually reinforcing to promote investments in supply chains that are dynamic and resilient.

Our third discussion topic is climate. How to build resilience to jarring changes, how to adapt to and mitigate the warming trajectory, and how to seize opportunities to invest in the economy of tomorrow are pressing challenges for us all. It will be crucial to deploy public investment that

compensates for market failures where they exist and will crowd in private capital where market forces can drive innovation.

I look forward to a frank and open discussion. Thank you again for joining us here.