

# Remarks by Secretary of the Treasury Janet L. Yellen at the Americas Partnership for Economic Prosperity Leaders Breakfast



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## *As Prepared for Delivery*

Good morning, and thank you for being here. I've had excellent engagements with many of your finance ministers over the past three years as Treasury Secretary, and I'm very glad to welcome you to Treasury today.

Thank you, Senator Dodd, for joining us. As the Special Presidential Advisor for the Americas, you play a crucial role in taking forward initiatives that come out of the Summit of the Americas, including APEP.

And my thanks to President Goldfajn for being here as well. APEP countries are fortunate to have in the IDB a vital partner, now with renewed energy and ambition, dedicated to serving our region. Ilan, I enjoyed my visit to the IDB yesterday. And I've appreciated your focus throughout your presidency so far on delivering results, strengthening the relevance of the IDB Group for its borrowers, and rejuvenating it as a forum for hemispheric cooperation.

All of us here today share the value of democracy, aspirations of prosperity and regional security, and the belief that deeper economic integration, increased competitiveness, and greater investment can help bring about stronger, more sustainable, and more inclusive growth. This is also a group of countries that have been at the vanguard of exciting change. Several of you are global leaders in the issuance of green and blue bonds. Others here are among the first to access financing from the International Monetary Fund's Resilience and Sustainability Trust. You're also reacting with political courage and smart public policy to other challenges, such as mass migration. In these and many other areas, the Treasury Department has been an active collaborator.

We also face shared challenges. None of us have a magic wand to increase productivity to generate good jobs and higher wages. We must achieve an effective and fast green transition and harness rapid technological change to increase prosperity. COVID-19 hit our region extremely hard, and we each need to learn lessons to prepare our economies for future

shocks. Crime and violence are both causes and effects of weak investment and job creation. And the fight against corruption, illicit finance, and tax evasion remains a constant challenge.

Let me touch on a few actions we are taking to make progress on our vision for the region and on addressing these challenges.

First and foremost, dynamic private sectors fuel dynamic economies, in particular when government budgets are stretched, as they are in this region. This is why Treasury strongly supports reforming the IDB's private sector arm, IDB Invest, to achieve much greater impact. My team at Treasury is working closely with President Goldfajn and IDB Group shareholders to define the policy reforms and financial scenarios that would enable a significant capital increase for IDB Invest. This involves considering ways to strengthen the entire IDB Group: a strong private sector needs a robust public sector and the private sector starts at the very local level, so the entrepreneurial ecosystem is key.

I know that many of you want to see more American firms competing for opportunities in your markets. I thank Ilan for launching the "Bid for the Americas" program to remind American firms of the opportunities in public procurement and public-private partnerships. Bid for the Americas uses the IDB Group's expansive network to facilitate partnerships between American and regional firms in order to support the participation of American firms in regional contracts.

Alongside increasing private sector investment, I want to highlight our work on critical supply chains as another key potential driver of growth in the region. The United States is pursuing an approach I've called "friendshoring": diversifying our supply chains across a wide range of trusted partners and allies. I was in India and Vietnam earlier this year and saw firsthand the actions they are taking to become more competitive in order to participate in global supply chains. We believe that APEP countries are well-positioned to take the actions needed to benefit from friendshoring in our region. But new investment will not come automatically. The United States and the IDB Group have committed to working together to support your efforts to integrate into this region's supply chain.

Of course, we all know that achieving the objectives I've described requires more than low-cost financing and knowledge sharing. We also need good regulatory practices, human capital, effective institutions, and sound policies that will enable us to accelerate the green transition, harness technological change, and create an inviting environment for deeper private sector-led economic integration.

Lastly, I want to note the United States' efforts to increase quotas at the IMF which would benefit all countries in the region.

In today's discussion, I hope to hear from you about both your economic challenges and the opportunities you see on the horizon. I am also happy to answer any questions you have about how I see current developments in the U.S. economy and markets.

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