

Remarks by Secretary of the Treasury Janet L. Yellen at Opening Session of APEC Finance Ministers' Meeting in San Francisco, California



November 13, 2023

As Prepared for Delivery

Good morning, and welcome to the 30th annual Finance Ministers' Meeting. Thank you to the City of San Francisco for hosting us and to all of you for being here.

Let me start by putting this meeting in its larger context. The Asia-Pacific region is at the center of the global economy. APEC members represent some of the fastest growing and most dynamic economies in the world, driving both growth and innovation. So, the actions we take matter, not only for our own economies and people, but also for addressing the global challenges the world faces. And as we seek to achieve our shared vision of an open, dynamic, resilient, and peaceful Asia-Pacific community, coordination and collaboration among our economies is crucially important.

The United States has been glad to help further this vision and our coordination by hosting APEC this year. Throughout the year, APEC members have met across the United States to cover a wide range of key topics.

And as we work collectively and individually to advance our vision, finance and fiscal policies are among the most powerful tools we have. This is why the United States elevated the Finance Ministers' Meeting to be part of APEC Economic Leaders' Week this year. And 2023 has been a pivotal year for the Finance Ministers' Process. After several years during which we rightly prioritized our response to and then our recovery from the COVID-19 pandemic, we've now refocused on the longer-term priorities established by APEC Finance Ministers in the 2015 Cebu Action Plan. The Action Plan emphasizes strengthening financial resilience and advancing fiscal reforms to build our economies over the long run. This effort starts with a full understanding of the global and regional economic and financial outlook, which we'll discuss in session one. We'll then turn to the three priorities we've focused on throughout this year: modern supply-side economics, sustainable finance, and digital assets. Let me highlight the progress we've made and where we hope to focus today for each of these priorities.

First, in discussions this year, we've advanced our thinking on what I've been calling modern supply-side economics: that is, policies that expand the productive capacity of our economies while improving resilience and addressing inequality. We've identified policies to increase the quality and quantity of labor supply, strengthen public infrastructure, and invest in research and development and environmental sustainability. And we've conducted a survey of APEC members' policy efforts on modern supply-side economics that I look forward to discussing further.

Second, our work on sustainable finance has focused on how to mobilize resources to accelerate our just energy transitions and achieve our respective net-zero emissions goals. We've discussed how to finance efficient and effective energy transitions while supporting the individuals and communities who are most vulnerable. The Indonesia and Vietnam Just Energy Transition Partnerships are two powerful examples of these efforts. I look forward to hearing your responses to the Note to Ministers and to discussing your energy transition plans.

We've also furthered work on voluntary carbon markets, including by hearing from experts on the state of these markets in APEC economies and discussing ways that authorities can help improve their integrity and depth. We've compiled research that highlights how finance ministries can support the development of these markets as part of our broader climate finance toolkits. I look forward to hearing today about how you are thinking about supporting the scaling and effectiveness of credible carbon markets.

We've also discussed the climate-aligned finance approaches APEC members are putting in place to help private sector actors pursue credible and specific climate commitments. For example, Treasury is proud to have recently released the "Principles for Net-Zero Financing and Investment." These Principles affirm the importance of credible net-zero commitments and encourage financial institutions that make them to take consistent approaches to implementation. But because approaches vary across jurisdictions, we also need to think through how best to address any inconsistencies and promote interoperability. Our working lunch with private sector participants and our third session will be a chance to discuss how authorities and the private sector can jointly take action on this and other sustainable finance issues.

Last, on digital assets, which we'll discuss in session four, sharing insights and engaging with the private sector has enabled us to deepen our collective understanding of the tools that policymakers can use to facilitate the responsible development and use of digital assets, including unbacked crypto-assets, stablecoins, and central bank digital currencies. We've

specifically explored the potential benefits and challenges of these innovative financial tools and approaches to maintaining high regulatory standards. Today, I look forward to hearing your perspectives on the long-term role that digital assets and blockchain technologies can play in our respective financial systems, as well as how your authorities plan to approach regulatory oversight of their development and use.

The fact that these priority areas are oriented toward the long-term does not make addressing them any less urgent. We need to further improve our long-term economic outlook by boosting labor supply, innovation, and infrastructure investment, in ways that are also sustainable and reduce inequality. We need to put ourselves on a sustainable growth path, one where we safeguard our planet while providing our economies with the clean energy they need to grow. And we need to leverage emerging technologies to drive innovation while maintaining safe financial markets.

With that, thank you again for your work and the work of your teams throughout this year, and for being here today. It's a key opportunity to recognize our accomplishments and reaffirm our commitment to more progress. Our efforts are essential to the strength of our economies, the prosperity of our peoples, and the future of the global economy.

I'll now turn to my team to cover important procedural items, and then we'll begin our first session.

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