

Remarks by Secretary of the Treasury Janet L. Yellen at Business Executive Roundtable in Mexico City, Mexico

December 6, 2023

As Prepared for Delivery

Good morning and thank you to the Council of the Americas for hosting me here today. I'm delighted to be in Mexico City.

Throughout my visit, I will emphasize the importance of the U.S.-Mexico bilateral relationship, and particularly the importance of economic integration between our countries.

Mexico is a key ally and partner in the Western Hemisphere.

Goods and services trade between the U.S. and Mexico exceeded \$850 billion last year, and Mexico became the United States' largest goods trading partner this year. Our economies are deeply intertwined, so a strong Mexican economy is critical to both our countries, including to supporting American workers and firms.

American manufacturers and consumers gain from resilient North American supply chains—including in clean energy.

Since the start of the Biden Administration, we've worked to further strengthen ties, including developing North American competitiveness in order to foster more high-quality jobs across the continent.

The United States is working with partners on what I've called friendshoring, diversifying our supply chains across a wide range of trusted partners and allies. This will bolster our economic resilience and security. And it will help mitigate the costly economic shocks we've seen in recent years, which have contributed to higher prices and disrupted production lines.

Mexico is especially well-positioned to capitalize on the opportunities from friendshoring in our region, given its proximity to the United States, pre-existing participation in global and regional value chains, and robust macroeconomic stability.

But, realizing this opportunity is by no means a given. It requires governments to create a strong investment and operating environment for the private sector. For companies to truly

take advantage of the opportunities created by friendshoring, they need to be able to count on adequate infrastructure and other public services. Every country, in order to have a robust private sector that leads to sustainable economic growth for all segments of the population, must provide energy, water, roads and other infrastructure, a trained workforce, regulatory stability, and the rule of law.

I am encouraged to see the recent government effort in Mexico to encourage foreign investment. And I am happy to hear that U.S. companies are showing greater interest in expanding their investments in Mexico.

The Biden Administration is also pursuing wide-ranging efforts to support this progress. Last month, I participated in the Leaders' Summit of the Americas Partnership for Economic Prosperity, or APEP, including the Responsible Investment Forum, and hosted APEP delegations at Treasury.

At APEP, President Biden announced new initiatives to channel billions of dollars in private capital for regional infrastructure, advance innovative nature-based solutions, and promote sectoral efforts to strengthen the region's supply chain integration. The initial sectors of focus are clean energy, pharmaceuticals, and semiconductors.

The United States and Mexico, as partners and neighbors, have worked together on infrastructure and public services for years, from bilateral efforts on border infrastructure through our joint development bank, NADB, to cooperation through our multilateral, regional, and binational development banks, and through continuing initiatives such as the High-Level Economic Dialogue and High-Level Security Dialogue.

I am glad the Treasury Department is also working with our counterparts at the finance ministry and with others across the Mexican government to promote a strong, private-sector-enabling environment.

I am pleased to be talking with representatives of the private sector from across a range of sectors of the Mexican economy, many of whom represent businesses with cross-border ties that have directly experienced the significant advantages of North American economic integration.

Frequent and direct dialogues with the private sector are vital to understanding your needs, and I'm looking forward to the discussion.

I'll stop here and open the floor for your comments. Thank you.

###