

Remarks by Secretary of the Treasury Janet L. Yellen at Press Conference following Bilateral Meeting with Secretary of Finance and Public Credit Rogelio Ramírez de la O of Mexico

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As Prepared for Delivery

Good afternoon. It's been a pleasure to be here in Mexico over the past two days for my first visit to Latin America as Treasury Secretary. I've had productive discussions that are moving the ball forward on many key priorities.

Let me start by emphasizing the importance of the U.S.-Mexico bilateral economic relationship. Our two economies don't just sit side by side; they are deeply intertwined. Bilateral trade with Mexico reached over \$850 billion in 2022 and Mexico became America's largest goods trading partner this year. Exports to Mexico, from electrical machinery to plastics, benefit American workers and firms by supporting more than one million American jobs. American manufacturers and consumers gain from significant imports, including of automobile parts, glass, iron, and steel. And Mexican companies are investing in production in the United States: from Rassini, an auto parts company with a production plant in Michigan, to cement producer CEMEX, which has cement terminals and plants across the United States. Yesterday, I met with Mexican private sector leaders to hear firsthand about the opportunities they see for greater integration.

As was clearly on display this week, our economic ties also extend far beyond trade, spanning joint efforts to secure our supply chains and protect our national security. The United States continues to pursue what I've called friendshoring: seeking to strengthen our economic resilience through diversifying our supply chains across a wide range of trusted allies and partners. Mexico has a natural advantage, given its proximity and the frequent interaction between American and Mexican businesses that create jobs on both sides of our shared border. The Inflation Reduction Act will also have an impact, with Mexican auto suppliers contributing to America's strong auto sector as the United States makes historic investments in electric vehicle production. The IRA's tax credits will increase the United States' energy and economic security and allow both the U.S. and Mexico to accelerate progress toward a clean energy future.

Greater coordination on financial and regulatory policy can further increase trade and investment and the benefits they bring. Earlier today, U.S. and Mexican teams met to discuss cross-border payments, including the possibility of more deeply integrating our payments systems. I see real potential here and welcome further exploration of the possibility of interlinkage and other ways to improve connectivity between the U.S. and Mexican payment systems.

We will also continue supporting the creation of reliable, secure supply chains that span the United States and Mexico and benefit both our economies through actions to protect our national security in critical industries. I am pleased to announce that the United States and Mexico have today signed a Memorandum of Intent that reaffirms our joint commitment to counter the threat certain foreign investments pose to our national security and establishes a bilateral working group to exchange technical knowledge and best practices. Like our own investment screening regime, CFIUS, increased engagement with Mexico will help maintain an open investment climate while monitoring and addressing security risks, making both our countries safer.

We're also pursuing work on countering illicit drug trafficking. Yesterday, I announced sanctions against 15 individuals and two entities associated with the Beltrán Leyva Organization, a cartel that is producing and transporting fentanyl across the U.S.-Mexico border. The illicit trafficking of fentanyl devastates families and communities and poses a threat to our national security while also undermining public safety in Mexico. The designations I announced yesterday follow those of three Mexican individuals and 13 Mexican entities linked to CJNG just last week. And these actions are just two recent examples of the Biden Administration's broader efforts to counter the illicit trafficking of fentanyl, as well as of the strong collaboration between the United States and Mexico on this issue. Engagement with the private sector on this and other issues is also crucial, and I was glad to be able to meet with the Mexican Banking Association during my visit here.

Across these and other initiatives, collaboration between the United States and Mexico is fueled by the deep cultural ties between our two countries and grounded in longevity, as we made time yesterday to mark with the launch of a new 20-peso coin commemorating the bicentennial of U.S.-Mexico relations. My visit was also enriched by the opportunity to interact with women economists who are doing important work while still facing far too many barriers to advancement. Especially if we make efforts to address these barriers, these women may well be the next generation of leaders in the U.S.-Mexico economic relationship.

Thank you again for joining today. The U.S.-Mexico economic relationship, already strong, will only be further strengthened as we pursue deeper economic integration and many other avenues of collaboration. Now, I'd be happy to turn to your questions.

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