

Remarks by Secretary of the Treasury Janet L. Yellen at TechQuartier in Frankfurt, Germany

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As Prepared for Delivery

I'm very glad to have the opportunity to be here at TechQuartier today. TechQuartier's members are pioneering innovative approaches to climate, clean energy, and sustainable finance. And I'm pleased to see how many connections there are across the Atlantic, from TechQuartier members with U.S. offices to others looking to tap into significant American demand for their goods and services.

The work happening here is representative of what we're seeing across Germany and also at home in the United States: a private sector that's crucial to our efforts to build clean energy industries in order to increase energy security while unlocking economic opportunity that will spur growth.

Let me start with energy security. In recent years, we've seen the COVID-19 pandemic, Russia's invasion of Ukraine, and the mounting physical and economic costs of climate change. These and other events have revealed that our economies are too vulnerable, including to shocks to our energy security. Together, we have taken decisive action to mitigate harm in the short-term, but we know that is not enough to make us less vulnerable to a future global health emergency, or geopolitical shock, or the increasing severity and frequency of climate-related events. So we're investing in building resilient clean energy supply chains, including across the Atlantic.

At home in the United States, we passed the Inflation Reduction Act—the most significant climate legislation in our nation's history. It's fueling investments in clean energy and manufacturing, with private companies announcing over \$850 billion of investments since the start of the Administration. The IRA's tax credits are helping to lower household energy costs as well, giving families more breathing room in their budgets. Over time, investments will help lower the costs of clean energy technologies globally. In Germany, government policies have fueled investment as well. Germany is increasingly running on green power and has long been a leader in green energy technologies, as is on display here at TechQuartier.

Our efforts are mutually reinforcing. We know no country can achieve its energy security goals and drive economic opportunity alone. The IRA is creating opportunities for German companies in the United States—such as to supply state-of-the-art manufacturing equipment that’s helping American renewable energy companies scale operations. And American companies are investing in Europe as well.

And we’re of course not just focused on our two countries. Building resilient supply chains requires global engagement. The U.S. is pursuing an approach I’ve called friendshoring, which is focused on deepening our economic ties with a wide range of trusted partners and allies. The U.S. and EU have pursued ties with and support to emerging markets in other ways as well, such as through the Just Energy Transition Partnerships.

Indeed, we’re part of a unique moment in the history of climate action. Addressing climate change is a moral imperative—for our children and for our children’s children. But we’ve also increasingly seen that it is a historic economic opportunity as well—one companies in both the United States and Germany are capitalizing on.

As we look ahead, we know that there are significant obstacles that we need to overcome. We need to fuel innovation and additional investment in our countries, and in low and middle-income countries.

And there are other challenges to the development and growth of clean energy industries, such as China’s industrial overcapacity. As I’ve communicated directly to my Chinese counterparts, including on my trip to China last month, Chinese industrial capacity is currently leading to production that significantly exceeds global demand in key sectors, including electric vehicles, lithium-ion batteries, and solar. This poses a threat to the development of clean energy industries around the world, and it will be a focus at the G7 meetings in Italy later this week. President Biden and I have made clear that we will take action to protect workers and firms in strategic sectors, including clean energy, from being undercut by unfair Chinese economic competition.

We want to see healthy green technology sectors, from innovative start-ups to green manufacturing factories, in the United States, Europe, and around the world, not just in China.

Again, I am very glad to have the opportunity to be here today and to be able to focus on green energy during my time in Germany. What’s happening here, and at home in the U.S., is what we need to achieve energy security, create economic opportunity, and build a better future. I look forward to continuing to drive these efforts together.

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