

# Hope to deepen 'very significant' relationship with India, says Yellen

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Gandhinagar (Gujarat), 16 July

US Secretary of the Treasury Janet Yellen on Sunday called India an indispensable partner for friendshoring and said she hoped to use her trip to deepen the 'very significant' relationship.

Ahead of the third G20 Finance Ministers and Central Bank Governors meeting in Gandhinagar, she said that friendshoring was an important foundation toward increasing resilience of supply chains.

"...And we see India as an indispensable partner in that and more. I hope to use this trip to deepen what is already a very significant relationship...Friendshoring will be a significant area for discussion in the next portion of our trip in Vietnam."

She added that the US was keeping track of investment announcements in India by private firms that look at India as an excellent place to produce and export to the US. She said she was "eager" to work with China on areas of mutual interest, including debt restructurings for poorer countries, and that the relationship was moving toward a surer footing, although the concerns of the US on unfair trade practices on China's side had not been addressed.

Yellen was speaking in the context of the tariffs imposed on Chinese imports during President Donald Trump's era.

Referring to China clamping retaliatory tariffs, she said, "It's premature to use this as an area for de-escalation, at least at this time."

The US treasury secretary met the new economic leadership team of China last week in Beijing. Yellen said that one of the core goals of the US this year was to combat Russia's efforts to evade its sanctions and redouble its support for Ukraine as "it continues to defend itself against Russia's illegal and unprovoked attack".

"We will also continue to cut off Russia's access to the military equipment and technologies that it needs to wage

war against Ukraine," she said.

Besides Ukraine, the key priorities for the US at the G20 discussions were debt distress in emerging markets and developing countries, evolution of the multilateral development bank (MDB) and the global tax deal, said Yellen, adding that public financing alone could not fully deliver on the massive challenges that the world faced, and that's why it was essential that development banks ramped up their private capital mobilisation rates.

The former chair of the US Federal Reserve said that reforms to the World Bank's balance sheet would responsibly unlock as much as \$50 billion in additional lending capacity over the next decade. "As part of our evolution agenda, we estimate that the MDBs as a system could unlock \$200 billion over the next decade just from the measures already being implemented or under deliberation."

The US would work with the World Bank to push for a framework and principles for the targeted use of concessional financing to address global challenges, said Yellen, adding that she was pleased with the report of the G20 expert group on the MDB emphasising on incorporating global public goods into their mandates. "I also share the call for much more ambitious private sector engagement and efforts to make the whole system work better together," she added.

Yellen said that in the coming week, she would continue to push for full and timely participation of all bilateral official creditors on pending debt restructuring cases.

The International Monetary Fund's Poverty Reduction and Growth Trust (PRGT), which provides zero-interest rate loans to the poorest countries, needs to be put on more financially sustainable footing.

"My team at Treasury is ready to serve as a partner for the IMF as it considers the options at its disposal – like using the internally generated resources of the Fund to support the PRGT subsidy account," Yellen said.

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