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**Fireside Chat with Penny Pritzker on Ukraine's Economic Recovery**

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**Moderator: Andrea Mitchell**, Chief Washington Correspondent and Chief Foreign Affairs

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Session recording: <https://www.youtube.com/watch?v=QhaFLTdRHrI>

Andrea Mitchell

Good morning, and thank you so much for everyone for being here. And thanks to Penny Pritzker, who continues her great service for public service to our country and internationally with what she's doing now for Ukraine, which is so critical. Thank you, Madam Secretary,

Penny Pritzker

Thank you for having me.

Andrea Mitchell

Let me start with the invasion. Since the invasion by Vladimir Putin in February of 2022 many people have been focusing on the battlefield, on the ground and air war, but Vladimir Putin has been targeting Ukraine's economy, its economic infrastructure, its energy infrastructure, and so I want to ask you first about the devastating impact on Ukraine's economy, which is so closely integrated with its ability to fight back against Putin.

Penny Pritzker

Yeah, you're exactly right. The war is as much about undermining Ukraine's economic viability as it is about territory. Actually, there's probably 60% of Ukraine that has not and the geography that's not been affected by the war. But just since March of this year, there have been nine waves of attacks, air attacks on Ukraine's energy system. Ukraine has about generates about 18 gigawatts of power a year, and about nine gigawatts, so roughly half the generation capacity has been negatively affected by these air attacks. So you can just imagine, then, of course, we've had the horrific situation, the attack on the Children's Hospital, which really goes to the hearts and minds and security sense of the Ukrainian people. So the challenge economically is huge. The World Bank estimated, before the March, the wave of March attacks, that the cost to rebuild Ukraine would be about \$486 billion obviously, that number's just gone up, so the situation is tough.

Andrea Mitchell

Early in the war, we were all concerned about Zaporizhzhia, the largest nuclear plant facility in Europe. Colleagues of mine in Germany, very concerned about, you know, a Chernobyl like effect given the vagaries of war. Now, Russia still controls some of that territory, and Ukraine has had to manage

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replacing a lot of that energy as some of those reactors have been shut down, the energy sector has been a critical issue as well as these. These are war crimes because these are civilian targets.

Penny Pritzker

Yes, it's, it's it. There's no doubt that the onslaught continues. However, the great news is, is that the United States and our allies have absolutely run towards the challenge I announced in Berlin at the Berliner Ukraine recovery conference, \$824 million of emergency energy support for Ukraine. The rest of our allies, European and Asian, have been doing the same, and the kind of all hands on deck effort to try and replace as much of the gigawatts that have been damaged as possible before winter. Unfortunately, there's also a very, very hot summer going on, you know, Andrea, though, I would say, even despite this adversity, and just one more level of adversity, in addition to the war, in addition, is to see really the resilience of the Ukrainians, what they're doing and what they're accomplishing. And one of the reasons I'm hopeful, and, yes, optimistic, is you look at Ukraine's military, they're holding the line. They're holding the line in Kharkiv. They've reopened the Black Sea. They've pushed back on Russia's attacks from Crimea. They're they're, they're on their front foot since the supplemental. Now, is it? Are they, I'm not a military person. Are they winning? I that's not my but the point is, is that the resilience of the Ukrainian people is amazing, and the economy has, yes, they took a big hit in the first year, but the economy grew at 5% last year. I mean, there's, there's an economic story to be told.

Andrea Mitchell

I was in Munich every year at the Munich Security Forum. In the first year, Zelinski, you know, was pleading for help. Well, he was there just days before the war started. Then this year, he was pleading for the supplemental and warning, and that was such a pivotal weekend, that's the weekend that Navalny was killed, that avika fell. And he was warning that with the fall of avika, that all those other villages now, they've managed to, you know, to win back some of that territory. But he said, we're going to begin retreating. And that's really when the retreat began. And they that delay in getting the supplemental, which was a political problem domestically here.

Penny Pritzker

But I would look at now the momentum of look at the last 37 days of what's happened. I mean, you've got, you know, starting with the Berliner recovery conference, you had announcements not just by the United States, about support for energy, but also support in the insurance market. You had announcements by the Europeans, uniformly, of additional support. That's been massively helpful. You had the g7 Summit, where you had a commitment by the g7 to bring forward \$50 billion of the Russian sovereign assets for current use, you had the United States sign a 10 year bilateral security agreement at the g7 you had 90 countries, then just a day or two later, come together for a peace summit showing the support for Ukraine, and then over the last nine months, you've seen enormous progress by the Ukrainians on reform and trying to fight anti corruption. As I've said, You've had the US and and Europe and our allies working together on energy repair, and now you see an economy that is growing. You know, three the expectation this year is the economy will grow at 3% investment is up 17% the Black Sea story is extraordinary. The Black Sea, when I started in my role, was closed. There was no no ships. Since

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August, we've now with Ukrainians. 2000 ships have come and gone from Ukraine, 50 million tons of exports, larger than the exports pre war. The as a result, the income to Ukrainian central government is up 25 their tax revenues up 25% 37,000 new businesses formed last year, half by women. And so you're seeing this is not a story where they're waiting. Their economy is not dead. It is. There's an energy in the economy. There's a lot that they're doing, and I've seen it firsthand, whether it's at the Coca Cola Bottling plant, which is the largest Coca Cola Bottling plant in Europe, is in Ukraine that was taken over by the Russians, and the 1600 employees took back the plant and repaired it, and it's up and operating and at his highest level of production ever, all the way to whether it's drone manufacturing or prosthetic manufacturing. And you meet, you know, the veterans who are, you know, using Ukrainian made prosthetics, it's inspiring and exciting to be a part of trying to help them stay strong, stay resilient, and see their future and help them live into the European future they want.

Andrea Mitchell

And I think, as you point out so correctly, the Black Sea was so critical, there was no way that overland routes were going to get that grain out. And if you see the domino effects, as we do, Sub Saharan Africa, well, Egypt and Sub Saharan Africa entirely dependent on grain exports. And so the famine and the effects, the resulting effects, on an entire continent, as well as grain prices around the world. I had the privilege of interviewing Howard Buffett of the Buffett Foundation, as he with the journal German Marshall Fund was were traveling in Oklahoma and speaking, as he did across the country to ranchers and farmers about the GDP effects of helping Ukraine. This is before the supplemental was passed, but just explaining across America that 90% of the money that we spend there on weapons comes back to the US. Acknowledging all of that, we're now facing a situation where the German government is talking about cutting in half their contributions to Ukraine and their next year budget, and despite the strong statements from the NATO summit that I covered last week and the attempt to, you know, solidify an irreversible path to NATO membership for Ukraine, Their real concerns across Europe in the last 48 hours, last few days, about the choice of JD Vance. So I have to ask you about that, because he was isolated from the leadership by opposing the supplemental vote. He opposed Mitch McConnell the Reagan Institute. Last week, Zelensky gave a forceful presentation, quoting from Ronald Reagan, you know, introduced by Mitch McConnell, reaching out to Republican leadership. Mike Turner of house Intel was there. You know, all the leaders were there. Lindsey Graham in support of Ukraine, but now you have the most anti Ukraine member, leading member of the Republican Party, on the ticket.

Penny Pritzker

I think there's a couple things to keep in mind. I'm not going to talk politics. Yes, I understand, but I think there's a couple things to keep in mind. First, if we look at the supplemental vote, which took a long time to happen, but did happen. You had, you had a bicameral, bipartisan vote, 70% of both houses supporting support for Ukraine. I think the previous panel talked about and I think it's incumbent upon all of us to continue to educate the American people, but I think about what's at stake. It's not just European future. It's United States security that's at stake, that there is a long conflict with Russia going on, and it's being prosecuted, not just in Ukraine, the cyber attacks that we live with every single day in this country. And I dare say there's not a person in this room who hasn't probably been touched by it,

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whether it's in their business or in their personal life, or stolen information, etc, or hospitals that have been affected. So I think that we need to continue to I think the supplemental vote was a representation of where the American people are. I think we have to continue to drive home what's at stake with the war in Ukraine. And I think that it's, it's there are, for sure, forces in every country, whether in Europe or in the United States, that are not necessarily totally supportive of Ukraine. However, the good news is, even in this super election year that we're having globally, you're seeing like President von der Leyen, who just got, you know, reelected, you're seeing pro Ukraine forces surmounting and winning. And then what you're also seeing is like what the President von der Leyen said, her number one priority is to is the situation in Ukraine, and that speaks to me, the commitment of Europe, and we heard in the earlier panel about the partnership between the United States and Europe. It's heartening to hear that the leadership, and I've certainly seen it firsthand, that Europe has taken regarding the situation as it relates to Ukraine, and finally, as it relates to Germany, there are many pots of money now that are coming together to support military support for Ukraine. And so I don't think you can just look at one pot. You have to look at the holistic picture.

Andrea Mitchell

Let me ask you about something that Sergei Lavrov said at the UN Security Council just yesterday, he was asked, or the day before, he was asked about JD Vance's position, and he said he's in favor of peace, in favor of ending the assistance that's provided. We can only welcome that. That's what we need. To stop pumping Ukraine of weapons, then the war will end. So just without the political implications there are you concerned about pressure growing in the coming months on President Zelenskyy to concede territory at the bargaining table?

Penny Pritzker

Look, I think that the administration has been absolutely clear it's up to Ukraine. What Ukraine wants to do as it relates to any kind of settlement, and nothing about Ukraine without Ukraine, and I think that's the appropriate posture for our country. And I think that, but you know, it's evident to all of us. As the supreme commander said in the previous panel, wars are unpredictable, and so where Ukraine is and how they want to prosecute this conflict to the end, that's going to be something that you know, they're going to have to take the leadership position in.

Andrea Mitchell

Let me ask you about something that I'm hearing from the investment community, that Ukraine, for all their resilience and creativity and amazing innovation, is not willing to share intellectual property with potential investors, and that this is a problem, and you have a much better insight into this.

Penny Pritzker

That has not been an impediment that I have run into. I think that you know the biggest I'll just tell you we've most recently, and this has to do with us intellectual property we are in the midst of trying to complete with. Just last week, at the NATO summit, Northrop Grumman signed the very first US Ukraine defense joint venture to produce medium caliber munitions in Ukraine. I mean, there's a lot of

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cooperation that's starting to happen. I'm starting to have CEOs call me and say, okay, maybe I don't want to wait till everything's resolved. Should we be looking at parts of Ukraine to do business? It doesn't mean people are making extraordinary investments, although there was a huge investment by a French company that was just over a billion dollars that was recently announced into the telecommunications area. So, I mean, you're starting to see economic investment, that is, you know, not just dipping their toe, but taking action.

Andrea Mitchell

Do they have manufacturing capacity? And our companies willing to locate their well, it's still a war zone.

Penny Pritzker

Yes. So Northrop Grumman is, in this joint venture will locate these are, these are defense industrial production act, act partnerships and CO production agreements that will be located in Ukraine.

Andrea Mitchell

Finally, I know that this is personal for you, and I wanted to ask you about your family roots, the Pritzker Family. Your great grandfather fled from the pogroms there in 1881 I believe you recently visited your ancestral homeland in the town of pritzky. So tell me about your connection to Ukraine.

Penny Pritzker

Well, it hits you pretty hard when you visit a I the first time I went to Ukraine and was as Secretary of Commerce. So I visited. I was there three times, and in fact, gave the United States at the 75th memorial of babynar, where, which is the event where the Nazis killed about 33 34,000 Jews by shooting them and pushing them into their bodies into a ravine. You know you're struck when you go to a place where the immigrant in our family came from, that they were, that he was trying to escape Russian oppression of Jews. And here we are, 140 some odd years later, and we're fighting, in some ways, for the independence of a country that, frankly, if my family had stayed, I probably wouldn't exist, because if it didn't happen in the pogroms, I certainly the family probably would not have survived Bob and yar. And that's pretty motivating way, you know. So when the President called and asked if I would be open to taking this job, it's how can you not try and be of help

Andrea Mitchell

And my family as well. Thank you. Secretary Pritzker, thank you so much. for what you're doing, and your continuing service. Thank you.