

Unknown Male Speaker -Please welcome our next panel economic diplomacy through infrastructure and energy Investments a moderator will be Steve Clemons, Founding Editor-at-Large, Semafor and he's joined by Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment.

Steve Clemons, Founding Editor-at-Large, Semafor - Hi everybody, we have 10 minutes let's make it count um let me just start with a preamble I have flown all around the world with this man uh because he was the energy Guru to then Vice President Biden uh and it turns out the vice president became the president so you're still stuck with that job um but we were out you know it's kind of interesting you get to know someone pretty well at 3:00 a.m. on a plane flying somewhere you know far off but at that time you know in that time uh Russia you know took steps to remind us uh how they look at the world they began weaponizing energy then and I just like to open this because today we're talking about how do you build smartly efficiently infrastructure around the world so that it's safe and secure and we can have more stability in the future not less so what did you learn from Russia's efforts to weaponize energy back then how have you done since then uh and are you winning.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - Well thank you Steve and it's great to be here at EXIM conference um look I think that question really sets up what we're actually all trying to do right now because as you said we spent the early part of 2000 you know 2010 to 2016 really trying to get Europe to think about the risk of being overly dependent from an infrastructure perspective on energy from Russia and I think unfortunately it took a horrific Invasion into Ukraine and barbaric acts by Vladimir Putin to explain to uh their neighbors that they're not you have to diversify your resources and build it but I think we have to learn a much broader lesson not just about what did Russia do in Europe but also where we are now in the as we go into a transformation around the world in two areas one in energy in clean energy and infrastructure and one on ICT technology 5G uh and mobility and in both of those areas we have one country that is seeking to control the entirety of the supply chain and that is exactly the same thing of what we face with Russia and gas in Europe we're now facing worldwide not with an OPEC of 11 countries but of one country so what we're trying to do right now and why EXIM is sort of the tip of the spear in this effort is to think about doing things remarkably different not just development assistance but real investment and building the infrastructure that we're talking about today in whether it's in sub-Saharan Africa or southeast Asia or in South America it's about putting the infrastructure together Bridges and Roads and ports and rail that are the enabling environment to be able to open up communities to the global market and to increase investment in critical minerals in Agri business for food Security in ICT so that 5G is not just one country provider and you have trusted so that's where we really did learn.

Steve Clemons, Founding Editor-at-Large, Semafor - Do you have like a global map on the floor that you all sit around and look at and say oh we have a project here we have a project here we don't have what we need here and Angola is on that map now \$900 million loan uh from EXIM Bank uh major infrastructure energy infrastructure project how does that align with what the Biden Administration is trying to do in global energy and infrastructure and how does it fit on the map on the floor in front of your desk.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - So I think those are two separate questions let me answer both of them so the map is we are trying to

Steve Clemons, Founding Editor-at-Large, Semafor - I was joking I thought no there actually is a map okay um and I love Maps

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - So um and I want to be able to say what I can't compete everywhere and my dollar is scarce taxpayer dollar is scarce so I have two goals one is I want to leverage private sector money and I want to take away the risk I want to mitigate the risk of local currency in uh in investing uh risk of reputational risk ESG risk political risk and so I want to invest just enough to get the private sector to come in I want to concentrate American dollars in a smaller number of countries and go deeper and have be more effective so you talk about Angola it's we did the \$900 million at EXIM uh for sun Africa uh there's a steel Bridges there we are working on the lido corridor where the president has talked about Angola more than I have seen any president talk about any country quite frankly uh because it's about building rail from the lido port in Angola all the way through DRC Zambia and hopefully all the way to the east coast so have a Transcontinental Railroad but not as a development project where we pay for it but rather by creating consortiums of private sector that will invest there the reason it's answering your question it's not about one country it's about creating a corridor approach that says what's two three four countries that are contiguous can we put all our efforts in and again being able to do these loans through and financing through EXIM is what allows us to then go to the private sector and the World Bank and say now you come in too.

Steve Clemons, Founding Editor-at-Large, Semafor - Look the mythology of this time is that China is everywhere that China has a belt and Road initiative we're trying to play catchup with that that it you know thought through a kind of global economic footprint you basically you know task with being coordinator on global infrastructure and investment and you need to be everywhere in the world we're kind of looking at this Global strategy how would you grade America right now on how it is doing in terms of generating its footprint and dealing with the fact that there are other players in the game around the world.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - Look I think I'm G to admit that we are behind where we want to be and where we need to be because China's invested for the last 15 years 20 years and we started a couple years ago with this approach but I want to be very clear any country that I go to I don't have to convince them oh you should do with an American company that's like I almost you got me bring an American company we'll do the business here's the problem that we have though one oftentimes there's no competition if there's four bidders there are four Chinese companies so you gotta you got to beat something with something the second is you gotta we can't just hide here in Washington and say well let the free market work it well because it's not a free market the Chinese companies are walking in with a blank check zero interest loans that are forgiven later while an American company or a European company have to go to the bank and say Here's how I'm going to pay you back so what we are trying to do is to say okay let's we're not we don't have to compete dollar for dollar but we have to compete right so I think we're doing a remarkably we're better off today than I thought we'd be at this point and I think we're just growing from here look at what you just said in Angola how many projects we've done there and in DRC and in Zambia and in Tanzania and in and a you know in a data center in Ghana so I think we are making that progress the president spent his most of his time at the G20 talking about the lido corridor in Africa and the IMC connecting India to Europe through the Middle East I mean these are major infrastructure projects that we're willing to put money behind and I'll tell you the private equity and the banks that refuse us to work with us until now because they thought we weren't in the game they're now willing in a way that they've never have before so when EXIM does \$900 million for one project and by the way that's just phase one phase two will come after that that means that the private sector private finance says you do that I'm willing to come in.

Steve Clemons, Founding Editor-at-Large, Semafor - How does EXIM Bank fit into your strategic plan when it comes to climate change clean energy transition rolling up to cop 28 is United States and you know one of one of our great entities the EXIM Bank going to be wrapped up in anything new and wonderful and interesting in cop 28 are we going to go in with the same old same old.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - Well I'm never going to answer we're going with the same old but we're what we're trying to do in the clean energy space is to incentivize investment beyond most of the money in clean energy right now is going to OECD countries and that trend on that trend is actually growing and we have not only.

Steve Clemons, Founding Editor-at-Large, Semafor - but isn't that kind of crazy since OECD countries are already sort of developed.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - Steve Clemons, Founding Editor-at-Large, Semafor - Yes but what's happening everybody's um pledging every conference you go to.

Steve Clemons, Founding Editor-at-Large, Semafor - and you have companies pledging.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - They're pledging no companies and banks are saying I'll spend \$1 billion I'll spend \$5 billion but where they spending it then they say well the IRR has to be X and I can only work within these risk parameters so we have to do is to say wait a minute how do we stop that we've had these meetings now regularly meeting with the CEOs of the largest banks in private equity in America together with AJ banga at the World Bank um and say okay we have we can bring EXIM Bank and our other Finance institutions in the United States and we're willing to put real money behind this if you join us to tell us how do we do that so when you ask what's the role of EXIM I want EXIM is doing a great job and chair Reta Jo Lewis there's nobody more Dynamic she walks into every meeting trying to get it done and that's the attitude that we have is not having the tools but that attitude of getting things done is what we need to do in this Administration and the United States needs to do this moment so we have to have EXIM that is ready to execute doing the deal going through the deal flow getting through it and enabling and incentivizing the private sector to invest alongside it so that we can get to that goal and clean energy is the most important space in that.

Steve Clemons, Founding Editor-at-Large, Semafor - You know I am a we have we have like a minute left so but so I'll be short but the I'm big fan of EXIM I think it swims in an extraordinarily difficult Lane because you got to deal sometimes with not the easiest climates in the world to do business sometimes the riskiest or the roughest how do you make sure we have a presence but as I ask that you know and note that are there things you think that we need to do or think about how we approach um the American presence the global energy I mean it's really not just our presence it's the Partnerships with local localities with States and governments abroad is there something we haven't yet done yet that you think we need to do.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - I think we need to strengthen our position that we have we present a better offering when you do business with us and you have EXIM there as the partner on finance your government will know that you're not going to fall into a debt trap that will uh lead you into trying to bankrupt you down the road there will be no child labor we're not the company will not uh degrade the envy or in while they're doing it they will pay your people higher salaries uh the communities around

these projects will rise not just the company that's doing it and with EXIM coming there and working with the local community and making sure the investments that go through EXIM are companies and projects that have been vetted that are good actors that will lift up the local economy not just some uh politicians that may in that country or environment but rather the whole Community that's what having the EXIM seal of approval it's not just the money it's the American flag that's being wrapped around this project that says one to the company I'm safer because EXIM's money is with me and therefore fewer people will mess with me and second I bring in a seal of approval of higher standards and that's what these governments want today they don't just want the next dollar or the next project they want to know that this is going to be a good project for them for their country for their people and for their communities.

Steve Clemons, Founding Editor-at-Large, Semafor - finally if I were President Biden you know just pretending for a moment I get away with that um and I were interviewing you for a job and I knew you were this great energy expert Global energy expert and I ask you what nightmares do you have about the oil and energies or the energy scene around the world what should I as president worry about what is your worst nightmare.

Amos Hochstein, Deputy Assistant and Senior Advisor to the President for Energy and Investment, The White House - I think the hardest thing for me to the reason this is such a difficult emotional answer for me to give you because we're living through some of that nightmare right now in what's happening in the Middle East is the awful terrorist attacks that Unleashed where we are right now and I really that's not just about the fact that oil price is going to go up Energy prices economies that if there are nightmares what happens from here on out that that's my fears uh multi- theater uh conflicts are difficult so that's why I think what the president said last tonight and one of the projects that we're talking about right now the India to Middle East to Europe massive infrastructure project he set that out in his address to the nation last night that's the alternative that's what we are trying to do and if we are successful with what EXIM is trying to do here in the lido corridor and the IME corridor and so on and bringing these projects there and create more integration more interconnectedness more energy access for people across the world regardless of income level right I think we reduce the chance of that nightmare that you're asking about that's what we need to be able to do so these dots are all connected what EXIM is doing in these countries is helping these countries avoid the nightmare.

Steve Clemons, Founding Editor-at-Large, Semafor - Right ladies and gentlemen Amos Hochsteinenergy and infrastructure adviser to the president thank you so much my friend thank you.