

>> Ladies and gentlemen, welcome to the 2024 Annual Conference at the Export Import Bank of the United States. Please welcome our first panel, Global Outlook, Trends, Challenges, and Strategies. Our moderator Andrea Shalal, white House and Economics Correspondent Reuters. She's joined by panelists, Ian Brzezinski, senior fellow Scowcroft Center for Strategy and Security, the Atlantic Council, Ray McGuire, president Lazard, Anne Neuberger, deputy National Secretary Advisor for Cyber and Emerging Threats, white House National Security Council and Nicholas Rémillard, president and CEO, international Economic Forum of the Americas. Come on everybody. Okay. Ready? Camera two and take two.

>> Well, good morning. Thank you all so much for being here and thank you for joining us. This is an incredibly august panel. We're so honored to have all of you and your expertise here to kind of kick off this conference and think about some of the global trends, challenges and strategies that we will be delving into during the conference. Without further ado, I think we're, we will, we don't have a huge amount of time and Ian, why don't you just kick us off with a look at the rapidly changing geopolitical dynamics that are defining global, global affairs today and shaping the global context for international investment in business. President Biden today has given a speech commemorating the D-Day, you know, this momentous occasion in history, 80 years and tomorrow he will give a speech also in Normandy about democracy. Is democracy really under threat?

>> It is. Well, Andrew, thank you. And let me thank EXIM Bank and, and the chair and for including me in, in, in in this event. And you know, you mentioned D-Day and the celebrations going on in Normandy. It really is something to to remember. I mean, we lost 4,000 lives. Half of those were Americans on, on the beaches of Normandy. It reminds us to honor those who've sacrificed to who have served and who are serving today in defense of freedom and democracy. It's a reminder of importance of alliances and it's a reminder about how dangerous the world can become when we don't demonstrate the resolve and fortitude necessary to protect freedom and democracy in the rule of law. And I fear we're in, in a stage today where the world is becoming more volatile and indeed more violent. And the big dynamics driving this are the following what you mentioned, the collision between autocracy and democracy. That is a big battle that's going on at all levels, at the cyber, at the conventional, the ideological. And it's driven by a second factor, which is the return of a more complex form of great power competition. During the Cold War, it was Russia or Soviet Union, United States. Today it's United States, Russia, and China and China presents a far more formidable challenge than the USSR in terms of its economic magnitude. Its ideological energy and its grow growing military. And its assertive posture, not only in Indo-Pacific, but globally. And then third of course is rapidly accelerating technological change, which of course brings a lot of good, but it can also bring a lot of tools that our adversaries use against us. We'll hear about the information side and cyber side. It creates a more lethal operating environment. And these dynamics are all in play today in three big contingencies. The Russian invasion of Ukraine, the violence in the Middle East, and China's increasingly assertive posture in in, in the Indo-Pacific. All are are conflicts that have real risks escalation. And what concerns me most, and I'll, I'll be quick here are two additional factors. One is these three regions are no longer separate in independent regions driven by their own internal dynamics. They are linked by the drivers behind these conflicts, which is a growing and deepening relationship between Russia, China, but also North Korea and Iran. And that is troubling it. That brings a globalizing dynamic to these contingencies. And the second thing is, a concern that I have is that our adversaries and include many others around the world, are increasingly doubting the resoluteness and political will of the transatlantic community, including the United States. And this is a bipartisan issue. They're worried that we no longer have kind of the fortitude and resoluteness necessary to push back against these challenges. So as I look forward, I am concerned that we're entering a phase where we're gonna have more volatility globally and there's an increased risk of really violent escalation if we don't take steps to, you know, put the check these, these developments. And the good news is, is we have the wherewithal to do that. We have the ideological advantage, we have the overwhelming GDP and particularly transatlantic community and our allies in the

Indo-Pacific. And we have militaries that are second to none. We just have to have the political will to exercise them.

>> Well Ray, from your perch in the banking sector, what does this tempest of geopolitical challenges actually mean for the United States and for investors as they're trying to make decisions, particularly with the global south? I know that that's an area that you've been focused on. What is the United States need to do to maintain its global influence in this era that, you know, Ian has just described so powerfully?

>> So first of all, let me thank the chair and acknowledge her EXIMplary leadership for having us all here. Number one. Number two, we all remember at a moment in time when we weren't quite certain what was taking place geopolitically or geo economically that the brave men and women who fought on Utah, Juno, Omaha, golden sword. And so we need to acknowledge that and give homage to that with respect to where we are today and the opportunity, I will agree with the conflict of attention that Ian has outlined. Let's amplify that a little bit with the geo-economic dynamics here and, and what's taking place with supply chain as an example. And the opportunities that we have with EXIMs leadership to convene leaders across the global south. Remember the dependency that we have as a country on supply chain that gets impacted by what's taking place in Sub-Saharan Africa as an example. If I go from Tiara del Fuego all the way up in Latin America or to Indonesia, the ability to interact with, engage with our allies and those who would be allies geo economically to secure our continued leadership globally, that opportunity exists. We have to acknowledge as we think about the four or five major themes that we're addressing, which have to do with generative AI and aging and cybersecurity and onshoring, how we address that and, and the USS unique position and EXIMs unique position to be able to make investment. Huge opportunity to make investments across the global south in ways that today China has done. As you remember the belt and road initiative. Xi Jinping's 19 party Congress, a 20 party of Congress in 2016 at Davos. He came out and talked about being a global leader. We've retrenched somewhat the height of US investment in manufacturing peaked in June of 2000 of 1979. One in five Americans were working in manufacturing based, a manufacturing based economy today, less than one in 20. And so the ability for us to onshore and to make certain that we have relationships where a lot of the precious minerals, as we've talked about that are necessary for energy transition, reside that opportunity is enormous. There are two challenges that we need to address that have made Western investors reluctant to invest in those geographies. One is currency risk, the other is rule of law. And so if we can come up with a scenario and with an infrastructure that can address those two concerns by sense is that along with the government, we're gonna get private investors who prepared to invest in areas that are necessary for us to continue to maintain our leadership globally, geo economically and geopolitically.

>> Nick, let's talk about that elephant in the room China, but there are other ones as well. I mean we also can't forget about climate and everybody here just, you know, saw this demonstration. There's obviously a lot of anxiety and concern about climate. There are other countries as well that are rising and that are becoming more powerful. What, when you have the conferences that you, your organization hosts, what, you know, what, what is the thing that rises to the top? Like what is the biggest concern and how do you see this strategic competition sort of unfolding and what are the implications for other countries, other regions?

>> There's a lot of, a lot of worry. That's the, the, that's what we notice in the, the the, the majority of the events that we witness. What, what I've been listening to different leaders. I think the energy transition would come at top of the list. The cybersecurity and the economic nationalism. Those are the three elements that do come on a regular base at, at many events I am, we we've, we've been business for the last 30 years and when we started the the IEFA, we were talking about the global village. Globalization was the, the most popular world and up until about, I would say six, seven years ago and, and it, it got faster with the pandemic. Now it's really about the supply chain. It's how to

bring back home everything that we were dependent on outside of our, of our boundaries. So in terms of the energy transition, I think there's a direct impact with geopolitics and so much energy transition is what do you include in the energy transition? What are the industry that do fit in that energy transition? So we have a tendency sometime to include electricity, renewable energy in one, one particular box and then to put in a separate box the petroleum industry, the coal industry in so much. So the challenge now you put everything in the same box for a discussion and that's one of the main challenge right now at the present time. And in terms of geopolitics, we see blocks alliance, strategic alliance that would've never thought about that are happening for the last two years coming from the, the war with Ukraine and Russia coming as well from the, what's happening in the Middle East right now. So there is a lot of wariness, there's a lot of, and what's mainly worrying is we don't know what to expect. We can anticipate, but there's no certainty about what's happening and the impact of all those conflict and those way to address certain issues.

>> And there's a lot on the table here right now, but your corner of the universe looks at specifically at cybersecurity and at digital security, right? So now in this current environment, the United States and increasingly its allies have become restricting investments by China and strategic technologies spanning the use of things like Huawei, TikTok. We've seen tariffs, we've seen export restrictions, you know, really speaking to the security concerns and I know that there's this discussion about small yard high fences, right? But obviously the environment has changed completely and you know, the United States is now warning Beijing to to talk, you know, to referencing the alliance between Russia and China, that there could be secondary sanctions for providing dual use equipment. How is the Biden administration walking this fine line between, on one hand maintaining a relationship with the second largest economy in the world that is inextricably linked with the US economy, but at the same time also ratcheting up security.

>> I love the way you framed that. So first, taking a step back for a moment, I think as, as Ray talked about, our societies are increasingly digitized and as you travel to countries around the world, whether it's government services, making sure medical services are available to rural populations, whether it's ensuring in a country as large as India, you know, the government can ensure that it provides during the pandemic payments rapidly and effectively to hundreds of millions of people all around a very large country. All the way through to the technologies we want to use to communicate online and potentially the role of general AI in making breakthroughs in drug discovery as well as being a dual use technology, the national security implications in those areas. Whether it's in the areas of offensive cyber weapons, potentially accelerating offensive bio weapons. So as we look at a society that, and the digital infrastructure that underpins our daily lives, every person here has multiple devices at home. Your communicating globally and as we think about our economy and our economic growth and the connected industries of the future, that digital layer is more and more important. There is a national security as well as an economic growth and and equity aspect to technology. And it relates to how do we ensure that when there are dual use technologies, telecommunications is a fantastic one because everything rides on our telecom networks, our company's IP, and our national secrets, ensuring that those technologies can be trusted and as they become more and more complex, the supply chain of that technology has to be trusted as well. So the Biden administration has really put a focus on identifying both today's strategic technologies and ensuring we can have confidence that they are trusted for us and our allies and partners and tomorrow's technologies as well. So for today's technology, a big focus has been, as you noted on telecom, on global cybersecurity of critical infrastructure for many reasons our citizens have to be able to feel confident they can rely on our water systems, our military has to feel confident it can deploy out of our ports and we as a government have to feel confident that hospitals are secure both from criminals and adversarial countries. So there's been a big focus on that working internationally around the world as well. Building international partnerships that frankly involve many countries. For

example, you know, criminal ransomware attacks have been affecting countries around the world. The US has built the largest international partnership that both build international policy around norms as well as operational practices. It has 61 countries from Nigeria to Honduras to Singapore all around the world. And then looking to tomorrow's technologies. Certainly thinking about ai, how do we ensure, as the president has said, we're leaders in global innovation responsibly. There's a role for our companies in putting in place those responsible practices. There's a role for us in government and then there's international governance role and it's why we've been so active in international bodies like the UN, like the Hiroshima accords that Japan has been leading on the South Korean recent convening and certainly working closely with our European partners technologies like solar, like batteries. So that as we all move to cleaner energy, those technologies can be relied on and the supply chain underpinning them as well, which is a global supply chain. So much of work, much work to be done. And I think for the Biden administration that focus has been doing it certainly with the US with allies and partners. And to your question about China working to build constructive relationships with the second largest economy in the world, but also seeking a level playing field for our country's economies. And certainly as we look at the Chinese economy at the degree to which it is generating products for exports below cost and the impact globally on supply chains and on the global economy, there's much area for concern there.

>> I'd like to get, I'd like to get back to cybersecurity in a, in a few minutes but I, I just wanna pick up on the supply chain resilience and Ray, I know that you have had some concerns that the US hasn't done enough and that there are opportunities there to do more. Can you talk a little bit more about where you see the opportunities, we've got an audience of business people here who are looking to sort of figure out where the next opportunities are. I had the chance to travel with Janet Yellen to Africa last year as part of the big, you know, sort of ambassadorial wave of cabinet officials going to Africa over the last 18 months. And you know, there is a lot of innovation in that region of the world, but also a reluctance that I've seen among business people to really invest their, their issues, volatility and and things like that. But just give us your perspective on what you see there and how much change you think there really will be or will it wind up being just lip service?

>> So let me just give you a sense of the exposure and then the opportunity. The exposure is, and we've written a report that is a detailed report. We at Lard have written this about the precious minerals that are necessary for energy transition. 70 to 90% of the precious minerals that are needed for energy transition on which we rely today take the electricity out of it equations that I think is right to separate them out. 70 to 90% of those precious minerals are refined by China. If you look at where many of those precious minerals reside in Sub-Saharan Africa, we have an opportunity which is the upside to make investments there. And these are the precious minerals that are lithium cobalt. You go through the the through the necessity, all the materials that are necessary for how we live daily. Every one of us has one of these smartphones. Those smartphones are the exposure that we have to the supply chain in the ability to manufacture those smartphones is fundamental. So as you think about Sub-Saharan Africa, which is why I include not only Sub-Saharan Africa, but I go to Latin America, I go to from Teo del Fuego up Chile, Peru, Brazil, Argentina, important sources of material necessary for the energy transition and forget the transition, how we spend our time today. So the opportunity for us to invest and invite investors into private sector, into those relationships is enormous fundamental to how we as a country continue to compete. Otherwise the relationship that you're talking about here with China is, we're gonna be more reliant on that. Hmm. The largest as an example, opportunity, probably the largest project that is coming out of the Infrastructure act is gateway project. \$16 billion, 72,000 jobs which will uplift a region uplift this country we've invested there. The chips act that the president, the Biden administration has outlined fundamental to how we compete going forward. IRA fundamental to how we compete going forward. Now if you take it out of the US context and make us investment offshore, 'cause we still need to focus on what we're doing. Onshoring tremendous opportunity for us to invest in the geographies where these

materials reside and our ability to have an impact on that, create jobs locally and also make certain from a GDP growth standpoint that export import that we can continue to play a leading role there.

>> Nick, I I know that you're also really interested in Latin America and you've seen some growth there, some opportunities. What's happening in terms of, you know, us or or investment flows to this region thinking, you know, about some of the overlapping crises that have plagued Latin America. I'm thinking about debt issues. Is it, is, is that a good place for people to be looking now? Is it more stable

>> In, you mean Africa, right?

>> I'm sorry, I was talking about Latin America now.

>> America, so there's, I think, I think there's a lot of opportunities. It's more by region. I think the, the what we, we, there's no precise answer to your really to your question. That's the, but there's a lot of opportunities, different region. If I understood clearly the question and I think the, as Ray said, Africa is a, is a, is a huge opportunity for investment right now. There's a lot of trade that can happen with Africa, all depending on the region. Africa, Nigeria will be one of the biggest market and, and in in, in the world eventually. And not to for our future, but that's what we spoke about Ray in the, in the prep call the, the United States is an amazing place to invest. But United States and amazing partners and the, I think the, it is a question of find the right region, the right country in the region and the right the, the, the the the right allies for those, those investments.

>> Ian, I know that you've spent some time in eastern Europe as well. What do you see, how, how has the climate there changed over the many years that you've been going in and out of eastern Europe and has the war in Russia created, I mean the, the Russian War in Ukraine against Ukraine created new opportunities there for, for investment for, you know, shoring ups, security.

>> Andrew, thanks for that. For the softball, I'm of central European de descent family from parents from Poland and Czech and, and Czechoslovakia. So I have a soft spot and a bias toward the region, but I've been tracking it ever since I was in high school and certainly after the fall. The Berlin wall and Central Europe is, is a remarkable success story. I mean it, it's, it's, it's standards of living have increased, its productivity has increased. It's, it's a place to invest. When I think of clients that are interested in, in, in going places so to speak, I always recommend that region. I mean think about it, you're talking about 12 EU member states that bring, you know, the rule of law established democracies, they have about a hundred and 130 million people. That's a significant portion of the eu. It's a highly educated workforce. It's a region whose growth is projected to be 35% by to 2030. So that, that's huge opportunity. They have huge infrastructure re requirements. I mean an area I think is really ripe for, for investment. You already see us firms going in there making major financial institutions are investing in there, major technology institutions are laying cement and, and and, and hiring people over there producing product. It's a region that that features some of the highest rates of return, rates of return you'd expect in emerging markets. But, but, but this is emerging market rates of return sometimes double digit you find in any EU country that's, that's pretty, pretty appealing. So yes, I'm very bullish on, on central Eastern Europe.

>> We're almost out of time, which I knew was gonna happen 'cause there's so much to talk about. But I do wanna get back to, to Anne and, and and looking at this cybersecurity issue and I know that ransomwares are, you know, attacks are continuing Britain has, is adopted as sort of an interesting approach now where they're going to require companies to seek a license before they pay and to also report every ransomware attack. Are, you know, given the proliferation of these attacks and the massive increases, is that something that you think the US government should be thinking about in terms of just getting ahead of the curve?

>> You know, it's an interesting international question because many of the criminals conducting these attacks are based in Russia under international cyber norms, which you know, all human members agreed to in 2019 countries have a due diligence to really be looking at attacks from one country coming out of another, even if those are hacktivists or criminals. So the increasingly permissive environment in Russia, which has led to attacks for example on hospitals around the world are up 70% in the last year is really of concern. It's fueled also by international movements of cryptocurrency, which it's still a movement to put in place the anti-money laundering and counter terror financing that we have in place for fiat currency. So it underscores again the digital infrastructure part of national security threats. And I neglected to note a moment ago, really a, a shout out to Chair Lewis and the financing ezema has done the first ever digital infrastructure financing in Costa Rica to enable trusted infrastructure. Again, part of the that transition and modernization that she talks about in terms of where the need is, that also enables access. You know, whether it's individuals who wanna sell their goods online or kids who wanna learn across the country. To your question, so what countries are grappling with is how do you deal with an international cyberspace environment where are norms but they're difficult to actually implement, it's hard to have accountability for those norms. So to your point, you know, crypto payments, ransom payments by victims drives it further in the US entities paid \$1.3 billion in ransoms in 2023, which was double the year before. So we have been grappling with the same policy question, do you require a company to pay a license and have a very narrow set of companies who you would permit? If so, does that then focus all attacks just on those who are likely to pay or do you encourage a broader set of companies to then address their cybersecurity vulnerabilities, address the gaps, which are really one of the real reasons that attacks are rising as well is the vulnerability of that digital infrastructure. In the international counter ransomware initiative I mentioned to you, the US stood up, we are debating those policies internationally because they're more effective as well if as many countries do them together as possible, we wouldn't consider it successful if we put it in place and then a tax rise all around the world in other countries. So that's the reason we're trying to do that kind of international coordination. We have an effort right now, we're trying to coordinate a final effort for the G seven announcement next week on energy infrastructure. So it much as the much in the theme that I've heard from my co-panelists here is as we seek to take on these challenges on a global stage, the really the Biden administration and the US approach is to do so in partnership and in a strategic way to say how do we take on these these challenges in a way that really has impact on the bottom line protecting our companies, protecting our economies, protecting our national security.

>> Terrific. I think we're gonna have to leave it there sadly. Thank you so much. Please give our panelists say hand. Thank you. Thank you. Hard to cram that all in. Wonderful, thank you so much. Alright, nice.

>> And now please welcome to the podium her Excellency, Hilda Suka-Mafudze African Union Ambassador to the United States.

>> Good morning to you all and to those outside, good evening, good afternoon. Thank you Honorable Reta jo Lewis, president and chair of the board of directors of EXIM, the board of directors, honorable members of the US government and Congress, distinguished panelist, esteemed participants. Ladies and gentlemen, it is my distinct honor and pleasure to participate in the 2024 annual conference of the Export Import Bank of the United States is you celebrate this year, the agency nine year anniversary. Let me say happy anniversary.

>> Thank you.

>> Allow me to seize this opportunity to congratulate the agent's leadership and their staff on this occasion and commend the valuable contribution of EXIM to deepening the United States commercial ties to Africa and the instrumental role of many American companies to the economic development on the continent through

job creation, technology transfer, and skills development. I want to pay a particular tribute to you, madam President and Chair, for your strong commitment to strengthen strengthening the US Africa economic Partnership. As you indicated last year in the Agoa Forum in South Africa, ex's deep commitment to Africa is written in your founding charter. We share indeed long, longstanding and deep historic and economic relations. We at the African Union Commission are grateful for the steady commitment of the Biden Harris administration to broadening the partnership between Africa and the African Union and the United States. The strong political momentum ushered in the last US Africa leader Summit in December, 2022 has been maintained and reinforced. One way to measure such commitment is through the level of high level visits from the cabinet of the US president and the US officials to the continent chair. Louis, you have EXIMplified such deep commitment. You have traveled to Africa at times on business development missions since being sworn two years ago. You have met with many African leaders from presidents, heads of government and ministers to high representatives and from the African Union Commission and its organs. It's really a commendable initiative. In 2023, ESM had an exceptional year of authorizations for Sub-Saharan Africa reaching approximately 1.6 billion. Ex's. Current exposure in Africa is more than \$8 billion. We are very grateful of your commitment to financing US exporters, large and small, doing business with Africa African nations without distinction between north and the Sub-Saharan Africa because we view the Africa we want is one united Integrated, prosperous and peaceful. Africa is the final front, which is the final frontier which really needs to be embraced, embraced as a whole. Ladies and gentlemen, the continent has a great opportunity to realize it's untapped and to address the myriad of challenges it is facing. Africa is much to offer, which is widely shared. Indeed the continent Endowments representing a youthful dynamic population, the potential unleashed by women's empowerment, urbanization and natural resources, land minerals, energy in marine resources, the largest free trade areas Once the African continual free trade area fully implemented bo well with the future. Africa's huge development and economic possibilities are undeniable assets To be leveraged is African continent free trade area is seized with the issue of doing intra Africa trade. With EXIM coming in and working with us, we will soon realize this integration that we are talking about, where we are seeing as African people, we will be advantaged and there will be economies of scale and it'll be really so good for all of us to mutually benefit in the you coming in to do business on the content of Africa and finding us very well prepared to work with you today more than any time before. There is a strong momentum in Africa to work on a regional and continental basis to seize new opportunities is how we are looking at it. We, we have all our ambassadors here, most of our ambassadors here in the continent, from the continent who are represented here and who have this bilateral relations with the us but we, we deeply know that and we work together with those common challenges that we have on the continent, on the positives that we have on the continent. We are well working together and they're making that difference and it'll be more beneficial to take the approach of the regional or continental approach to make that difference beyond infrastructure. Regional approaches are critical across many sectors to tackle the challenges of trade and food security, water resource management, climate change, disease prevention. Africa seeks to move towards value addition in addressing and bridging the infrastructure gap in energy transport and communication. Also technology. The value proposition of the United States, it's global leading private sector and financial and banking institutions is so immense. Our partnership holds so many promises for a very fruitful, productive relationship. I am confident the considerable potential to expand our cooperation with we fully will be fully realized if we maintain the momentum created during the last three years. We are very pleased. The EXIM Bank currently has the most active presence in Africa and engagement with the African diaspora in its history diaspora, which we consider as the African Union, as the sixth region of the African Union, which plays an instrument role in the development of the continent. I look forward to working with you to elevate that role. There has never been a time where the people have really wanted to connect with Motherland in the what, why don't we seize this moment? And in my daily work I'm mandated to work with these, the diaspora and I have seen a difference and I have seen people well prepared to do a, make a difference on the continent

of Africa. Even making a difference here and making a difference on the continent. And there's the reason I'm saying it's time to connect to make that difference and amplify this diaspora. We know our President Biden has put forward the Diaspora Advisory Council, which to me is an elevation which makes a difference. We're very happy about that on the continent of Africa and what does mean? It means we have to move so many parts to make that difference. This appointment has been done and we really need to work so deep on the content of Africa. I cannot miss this opportunity to underscore to all of the esteemed participants. We have a strong interest in US Africa trade relations. The importance of an expeditious and long-term renewal of African Growth and Opportunity Act. AGOA remains the backbone of our trade and investment relations that is between Africa in the us. The early extension of Agora before it expires in 2025 for at least 10 years, ideally 16 or 20 years to all African, to all African countries, will provide certainty and a predictability to our economic partnership and will convey a strong signal of confidence to the US business community, to African partners and ensure that trade investment between the US and Africa is caring in a reliable, legally secure basis. AGOA is an important vehicle through which the US could contribute to the promotion of if intra African and in intra African threat and increase Africa's global competitiveness and its integration in the global value chains. We have all an opportunity to make it effective and impactful. Thank you once again for the opportunity to address such a distinguished Catherine, wishing you a 2024 annual conference, a great success.