>> Announcer: Ladies and gentlemen, please welcome our next panel, Strategic Trade Finance, The ECA Competitive Advantage. Our moderator, Rebecca Harding, CEO Coriolis Technologies and author of The Weaponization of Trade. She's joined by Fred Bergsten, Senior Fellow and Director Emeritus, Peterson Institute for International Economics, Paul Denton, Senior Vice President, Marketing Advanced Technologies, Progress Rail, Patrick Gang, Head of Export and Agency Finance, Bank of America, and Louis Taylor, Chief Executive, UK Export Finance.

>> It is bright.

>> It is bright.

>> Two years ago, I sat down with a publisher for lunch. Didn't quite know who was going to be paying for lunch, but I sat down with him anyway, and he said, what do you write a book about? So I mumbled something, being a trade economist, about trade, and his question was, how on Earth do you make trade interesting? To which my reply was, well, if you look at what's happening in trade at the moment, you've got Brexit, you've got some embryonic trade wars beginning to develop. It's actually quite interesting and the language of trade has changed. We've seen this big shift from the language of collaboration and cooperation and global growth to national interest, national advantage and competition. I said, effectively, trade is being weaponized. He said, that's your title, isn't it? And two years on, here we are in an environment where we're talking about strategic trade, strategic trade finance, and you'll be very pleased to know the publisher bought lunch. I think I couldn't be joined with a better panel and have a better caliber of people, a panel to speak about all of this with me than I have at the moment, and I'm going to ask each panel member to introduce themselves. The goal of this session is really to understand the strategic trade landscape that the export credit agency industry, if you like, is working in globally. When Angela Merkel starts talking about strategic competition, you know something has shifted. It's a really interesting environment. So could you please each introduce yourselves and then we'll start on a discussion of what this means for EXIM and what it means to the export credit agency world in particular. Please.

>> I'm Fred Bergsten, I was Founding Director and ran for 30 years, the Peterson Institute for International Economics, which most people have rated the top think tank in the world on global economics. I'm now a Senior Fellow and Director Emeritus there, since I stepped down as CEO five years ago. I'm now finishing a book there on the competition between the US and China for global economic leadership. I'm also a member of the President's Advisory Committee on Trade Policy and Negotiation, having been appointed by President Obama, reappointed by him, and recently reappointed by President Trump. In earlier incarnations, I was Deputy to Henry Kissinger, coordinating US foreign economic policy through the National Security Council, and was

Under Secretary of the Treasury for International Affairs, where among my responsibilities was that for US export credit policy, the Export-Import Bank, and way back then, a long time ago, I played a big role in working out the Gentleman's Consensus on export credit policy which exists to this day 40 years later.

>> Fantastic, thank you very much. Louis.

>> Good morning, ladies and gentlemen. Louis Taylor, I'm Chief Executive of UK Export Finance. We're the UK's equivalent of US EXIM Bank, and feel ourselves very much more of a partner even than a competitor. My background was with, as an alumnus of one of your great financial institutions, JP Morgan, as well as a couple of others before taking the Queen's shilling and taking on this role. Thank you.

>> Good morning, Paul Denton, Senior Vice President, Global Sales and Marketing for Progress Rail, division of Caterpillar. Been in the rail industry for over 20 years, and currently manage our global sales and marketing efforts.

>> Good morning, Patrick Gang. I head up Export and Agency Finance at Bank of America. So that basically means looking after export credit agency, DFI, and multilateral agency debt for corporate clients, sovereigns and financial institutions all around the world, so would represent a bit of the global banking voice on this panel.

>> Thank you very much. Maybe I could start with you, Dr. Bergsten, and ask, why are we seeing this big shift in global trade, and the language around global trade, and the competitive advantage nature of global trade now? What is it that's driving it and what are the consequences for the export credit agency world?

>> Well, let me try to put it in context. The United States benefits enormously from international trade and globalization studies that our Peterson Institute have shown that the US economy is two trillion dollars per year richer as a result of the open trade and globalization of the last 75 years. That's about 10,000 dollars per household, it's 10% of our national income, it's a huge benefit to our economy. As you imply, the problem now is that that open trading system is at risk. There's a huge backlash against globalization and there's a reaction against open trade. Bless Larry Kudlow. I've known him for 30 years. He's a free trader. I hope he prevails, but the current US administration has moved in protectionist directions. It has raised lots of trade barriers against lots of countries, it's been retaliated against, US exports have been hurt, not helped, by current US policy, and so there is a move in a negative direction for trade, and that's not in our national interest. It's not just the administration, however. There's a wider political backlash against globalization. We saw it in the 2016 elections, we saw it in the Democrats in the Congress who took credit for getting rid of the

Trans-Pacific Partnership even before the President withdrew from it. So there's a widespread reaction against the open trading system that has been so much in our economic interest and so much in our foreign policy and national security interest, but a lot of that problem goes to what other countries have been doing, and particularly, China has done in deviating from the open trading system and undermining it. China is now the world's largest economy on some metrics, it's the world's largest trader, it's got the world's largest foreign exchange reserves by a lot, it's by far the biggest export purveyor. China enormously benefits from the open trade system and they know it, but they also cheat on that system. And China is now so big and so important that the China Shock, as it's widely called, has significantly undermined the open trading system. Larry mentioned it, intellectual property theft, forced technology transfers, subsidization of state enterprises, cyber espionage, export credit expansion outside the international framework and with no transparency. So the current trade negotiations that Larry talked about are critically important, and in that context, EXIM and export finance is critically important. One of the areas where China deviates from the international rules, does not participate in the international agreements, has no transparency for its transactions, is export finance. And it is by far the biggest export credit purveyor by a multiple of other countries, if you calculate it correctly, and so it is critically important for the US both to compete effectively with that and to make every effort to bring China in. I mentioned that when I was in charge of policy in this area a long time ago, we had a twofold strategy. One was to make the US an effective competitor. In my four years at Treasury, we increased EXIM lending sixfold. And we use that leverage to form the international agreement called the Gentleman's Agreement, the Consensus, the Export Credit Arrangement, but China's outside that, and so I would suggest we now need a two-track strategy, beefing up EXIM's programs themselves enormously, but also making a renewed effort to bring China and the other new export credit agencies within the international agreement. That has got to be a major priority for US negotiating strategy, difficult as it may be and with all the other issues out there, if we're going to get this export credit, export support area, back in US interest, back supporting an open trading system, helping counter the backlash against globalization, which threatens the open trading system that is so important to I think everybody in this room.

>> So when I was asked, take back from that a little bit, what you're really highlighting is the strategic role for an export credit agency, a really strategic role within a national framework, but also within domestic policy as well as in an international framework, sort of more multilateral framework as well. Is that the point you're making?

>> Absolutely, all of the above. We have to counter the understandable domestic backlash against an open trade and globalization policy, but part and parcel of that is strengthening the global system. The global

rules don't cover enough of our competitive transactions, like in export finance. The rules that are now out there are not being enforced actively. That's what the administration is trying to do in the current negotiations with China. And so it's got to be a huge, all of government, national effort across the board, but with that international dimension in mind. Larry rightly said the President wants to make America great but not America alone. America cannot go it alone, must engage the rest of the world. That's why launching trade conflict with our own allies has been such a mistake when we should be working with them, vis-a-vis China, to deal with the big problem and using them to strengthen the WTO, strengthening the export credit arrangements to try to cut back on subsidies, as Larry said, go to zero subsidies, go to zero tariffs, go to see zero NTBs, but that can only be done with an international cooperative effort led by the United States.

>> So some of this is because the trade landscape is changing as well. Some of this is because technology is shifting, the rules that we're working in within a world trade framework are not rules that we had before. Louis, nowhere is that clearer than the UK at the moment. The rules are, well, are there any rules at the moment? I suspect not. This is a Brexit-free zone, by the way. I promised I wouldn't talk about it, but you're operating in an environment at the moment where there is a clear strategic interest in the role of UKEF, there is a clear way in which exports are a key pillar to government policy at the moment, so give us some examples about how this is all working from a UK perspective.

>> So let me start by just saying that I agree with a huge amount of what Fred's just said. I think many of the problems we're dealing with now are the consequence of the very well-intentioned and well-executed policies of 30, 40 years of helping development in new markets, and the fact is we got a bit more competition, and why would we genuinely be surprised about that? The issue is how that competition manifests itself, and I think that it is important that there is fairness in that competition, whereas I think a lot of what we talked about this morning was trying to just achieve equality of competition, even if that equality means subsidies and interventions that do not allow the quality of goods and services and the price of those goods and services to be the determinant of who wins rather than the financing package that goes with them. So, the UK government's perspective on this is freer trade is better, more trade is better, and that does involve a lot of collaboration, and this goes to Fred's point about bringing everybody together in a new system, because frankly, the OECD arrangement has been fabulous for 40 years, but is a consensus of the minority. Less than 30% of ECA trade goes through the consensus now. And there's basic underlying principles or things that we'd all ascribe to, a level playing field, but I think there are other sort of principles that need to be brought into this which will help it just get more people, more countries involved that are currently aren't,

including, of course, China, and inclusivity just has to be there. The problem with all of that is transparency, which currently exists within the OECD arrangement, in that Gentleman's Agreement, but doesn't necessarily, and certainly, it just doesn't actually exist in other areas, and that transparency is the way to achieve fairness and equality of terms. For the UK government and the things we're trying to do, we don't talk about it in terms of weaponization, but we are there to fill in gaps in private sector provision of finance. Do things that are viable, that are good projects, but the private sector can't manage, and there's a variety of ways in which we do that or areas where we need to do that. It's not just where there's Chinese money that's beating people over the head or they are beating people over the head with their money to get them to do projects there. It's also the case that the private sector might have risk appetite if the regulatory environment was different. So lending large amounts of money for long periods of time in riskier jurisdictions is currently disproportionately expensive for commercial banks, and we've done that to the commercial banks through our regulation, so we have some element of solution at our own hands if we choose to use it, but that is where, certainly, the UK government wants UK Export Finance to fill in the gaps more, and we're seeing that more and more. We'd love to be working more with US EXIM Bank because, frankly, their heft and their influence in international relations and discussions about this whole area are hugely valuable and their credibility will be massively enhanced once they're reauthorized and their board is cored. So that's the essence of where we are from the UK.

>> So I'd like to say, first of all, maybe weaponization is a slightly, well, let's say, journalistic phrase. The word is strategic, strategic trade finance today. So in terms of strategic trade finance and where UKEF is going at the moment, is it more in terms of the issues that were raised this morning about, earlier this morning about SME support? Is it about a global presence on the global stage, or is it working with national champions? Because you can see quite clearly, for example, in European EXIM policy, there's a lot of support around some European champions, sort of agglomeration to compete against size is something that's beginning to come through an industrial policy. So are you saying that or are you actually thinking that this is support more specifically for the SME sector that needs to be brought into this global space as well?

>> So without the support, and this is a public law framework that we are obliged to abide by, obviously, without the support, all exporters in all sectors, and we're not there to pick champions without fear or favor for exporters when they need us. Project's got to be viable, they've got to meet environmental and anti-bribery and corruption standards, and a variety of other things, but if all of that is good and there's an export license if it's a defense project or whatever, then we're there to support them. And I think that that's for large projects overseas, but it's also for SMEs domestically, where bank

risk appetite, and everything I talked about in regulation just before, are writ large and the costs, compliance costs and working with SMEs for banks, they sometimes aren't willing to take the risk on SMEs for working capital. 20-million-dollar turnover SME, creates a five-million-dollar export order, brilliant, but can't get the working capital to fulfill it and we're there to fill in that gap. The other thing we've been focusing on is just broadening out the product range and being customer-centric, like all our commercial banking friends here would be, all of our exporters here would be. Very, very often in government, and I come from private sector, I find processes that are good for government, but actually aren't very good for the customers they serve, so it's focusing on the customers, what they want, and delivering for them, that means local currency guarantees in over 60 currencies globally. Many of the more exotic currencies in Africa and Asia and LatAm, we're very willing to offer guarantees in. It means structures from project finance all the way through tofinancing, which we've done. It means general working capital facilities for exporters. It means we're very flexible and we will work with anybody to find out the best way to deliver their project if it's viable.

>> So you'll be glad to know that while I was doing some research for this panel, UKEF came up as one of the top performers and one of the great export credit agencies that was there, so Louis wouldn't say that, he's far too modest, but I can say it on your behalf, but--

>> Can I just say, Jeff put up a really interesting chart before, of the sort of scale of export credit agencies exposure relative to national economies, and the structure of economies and the financing systems, I think, do tell a story underlying that as well, so we're lucky in the UK, as you are in the US, to sit in a really deep liquid global capital market with the structure and capability, with liquidity in many different currencies, and that, to an extent, dictates the extent of the gaps we're there to fill in relative to some other export credit agencies.

>> Which is really interesting because I know you, Paul, are looking at different sources of export finance, looking at different sources for support. What is your experience as a business on the ground of this broader global competitive landscape, this nationally strategic landscape for key industries in key sectors like the infrastructure sector that you're involved with rail, to what extent are you seeing the export credit agency market becoming more competitive, and how does US EXIM stack up in that framework?

>> Sure, and I'll say, over the last five years, I think the global competitive landscape has changed quite a bit. We're now faced with large, multinational construction companies, government entities that come in and finance and manage these very large-scale projects. Back when I had access to the US EXIM funds, typically, I would establish relationships with the rail owners and I would establish relationships

with the mining customers, and those are people that were familiar with our products and the portfolio of what we could offer relative to rail, because that's where our expertise is, but now, with these large multinationals managing the entire project, they developed the port, they do the civil engineering work, they build the railroad, they build out the mine, and they have the ability to spec their products, and it's so competitive that I have to struggle to get, and now I'm actually going to my competitor to try to get my products specced in. So it's a challenging landscape and it's forced me to be much more considerate about the opportunities I go after. An example would be you have to be five years in front of the project now. I have a limited amount of resources, a limited amount of people that I can put on these projects, but you have to be five years in advance, and be very, very thoughtful, and the areas where I've got to have competitive funding to compete in are key areas of growth for us around the world. India, Indonesia, parts of the Middle East, Africa, South America, these are all places where rail and mining are growing, and that's what drives our business, so it's very critical that we have the ability to compete, have funding that's available, and that I can go and work with the people that are familiar with our products and services to be able to spec our products into these projects.

>> So when you're talking about competition, are you talking about you as a business and your competitiveness, or are you talking about the sheer scale of public support to the other companies that are competing in that market framework that make you uncompetitive proportionately potentially? Is it about the level of finance, in other words, or is it something else that's going on?

>> I mean it really is. It's predominantly, if you're financing a 10-billion-dollar project, I may be 300 million of that project, just the rail piece of it is a relatively small piece, and so if you bring the complete funding to the project, you have a lot more influence about what products are gonna be used at the mine, at the port, whether it's cranes, whether it's locomotives, whether it's mining equipment. They're in a position, and I think the same could be said for previous companies like GE, now they're different, and the rail division has been separated out with Wabtec, but Siemens, they're a large infrastructure company. You bring power generation, you bring medical, you bring, so even with my classic competitors, I'm still at a bit of a disadvantage if they have the funding and a lot larger infrastructure play than just the rail side of it.

>> So one of the really interesting things about Made in China 2025 is that it was actually built on the German model. It was actually built on the Industry 4.0, the collaboration between finance and technology and manufacturing, bringing the whole thing together, and that is what is providing that type of competitive advantage in your view, strategic advantage. It's this sort of thinking where finance and innovation and skills all come together in one place, is that right?

>> It's true, but under the current model, the best product or the best technology doesn't necessarily win if you don't have the financing to go with it.

>> So would you mind just dwelling a little bit over some of the issues that you're finding at the moment just in terms of where you go for finance and some of the challenges, perhaps, that US EXIM could be thinking about as it moves forward?

>> So even though we have a fairly global footprint relative to places and I can build locomotives or where I get components to those locomotives built, my challenge is that if I don't have US EXIM, I have to have content for my product in other countries, so that I can take advantage of that, of their financing, and that takes a lot of time and effort, and I have to build that infrastructure. If I want to use UK financing, I've got to have operations and I've got to have a footprint there, whether it's manufacturing, whether it's assembly, and so now it's forcing me to make decisions that, to make investments in a lot of different parts of the world that I wouldn't normally do because of normal business driving it. I mean you got to localize where it makes sense, where I can get low-cost, high-quality products produced that not only can I use in those countries where I localize, but also can bring back into the US to use in our locomotives and our products here, but without that, and those are normal business decisions which you strategically make. Now I'm having to make those decisions based on I've got to get a footprint because I need financing.

>> So this is really interesting, isn't it, Pat? And it's gonna take this right the way up to the 50,000-foot financial level now, because you've got this kind of matching between or balance that needs to be made in the financial sector between what is a company's strategic interests and what a national strategic interest is, and how that fits into the global picture, so how are you seeing that from where you sit?

>> Of course, I think the important point to note over the last five years or so, when it relates to export financing and national interest is ECAs, DFIs no longer view themselves in any way as the lender of last resort quite often. I think they fill voids in the private sector, but they're gonna help their exporters and their companies abroad wherever they can, so I think the concept of national interest and strategic interests abroad has really taken off, so in terms of innovation and supporting new flexibility on content or local currency debt, direct lending, flexibility on the overall structure, everyone has taken 10 steps forward over the last five years, and I think it's certainly become a competing product. All ECAs are certainly not equal in terms of their flexibility and the way that clients view them. I think, I work globally with clients around the world that are

importing equipment, and routinely, they'll say, here's my three to five-year capex plan. I'm gonna import from these four or five countries. I've got a few different ways that I hope to finance it, but I need to find a way that really fits into the broader business plan, and when we go through that procurement with them, we know which ECAs are gonna offer effectively the most cost-efficient and structurally beneficial debt for the company, and if that doesn't work or they're sourcing from somewhere where it's not gonna fit into their broader capex plan and their broader company structure, they will think about moving procurement, absolutely, and often, it's coming down to American exporters are being asked, can you subcontract out of Europe? Can you subcontract out of Korea? So that is absolutely happening, and I think clients are looking for advisory around that in terms of how they leverage ECAs to a greater extent. I think generally from an export finance perspective, you certainly have the benefits versus the outlay of capital or the underwriting of the capital through a guarantee or an insurance product, and the benefits relate to national interest, strategic interest for companies abroad, whether it's the Koreans or Japanese supporting overseas business through their programs or various untied programs, and of course, domestic employment, and as we see this become more and more priority in terms of political agendas in support of the domestic agenda and creating new jobs, that's obviously spurred increased innovation and support from the ECAs, but the important point to note is, generally, we've seen this market be profitable, and the losses are manageable, and people are not, from a government perspective, putting out massive capital outlays and not getting rewarded, so from an asset class perspective, we've seen the ECAs get more flexible because the corresponding risk and reward is there, and I think the reward through, as I mentioned, domestic employment, national interest has been something that is really pushing this agenda in terms of governments wanting to support their companies abroad.

>> So if I, so Louis, your jump is coming. Okay.

>> Or less, or exactly what Patrick's talking about. We've recently done a transaction in Iraq. The two exporters or companies that we're really supporting there are GE and a Turkish contractor called Anchor who are building two power stations in Iraq. There would have been no UK content in that had we not had the risk appetite for Iraqi government exposure the other ECAs did not. And we encouraged Anchor and GE to come to the UK, meet a couple of hundred UK companies who are relevant to the sector, and now in a 650-million-dollar project, there's gonna be around 250 million dollars of UK content, on the back of UK export financing for the project. Not in subsidy. We're absolutely charging for risk, totally within the OECD terms, but it's a powerful attractor of procurement to the UK that otherwise wouldn't have happened.

>> So I'm just gonna throw it out there. Anyone is welcome to answer

this question, but I'm just gonna throw it out there. Is this something even that small businesses can get anywhere near at the moment? I mean if you're talking about these types of contractors, is it something that a small business can come anywhere near? Is that the objective or is it more about these big, strategic, infrastructural-type projects? And I think that, if you like, is literally the trillion-dollar question. There is 1.5 trillion dollars of unmet SME trade finance out there, so what is the sector doing around that and is that where the key challenge is? Go.

>> I think it's both. I mean it's about big projects, about getting SMEs in there. So we've got a model now that we're running and there's no rocket science about it at all. That GE-Anchor project, but equally with Bechtel on a range of infrastructure projects, we invite them and their project sponsor into London, into a room with a couple hundred UK companies relevant to the opportunity, most of whom are SMEs, and with our offer of financing as well. They hear about a real project from the sponsor, they hear about the UK government willing to provide them with working capital and help them get paid, and they get to talk to the procurement contractor the sponsors brought in about the spec of goods and services that are needed for that project, and UK content is driven into that project, and the blokes at Schlumberger, they want SMEs because that's where so much innovation happens, and once an SME is in Schlumberger's procurement supply chain once, the opportunity for a second and a third and a fourth attempt is also there. So that's, I think it's about both.

>> So Fred, this is really your picture, isn't it, about how trade is increasingly strategic and how we're beginning to see all of these areas of SMEs, of innovation and supply chains, and national interest all begin to be tied together. So if you're looking at this from an economist's point of view, what do you think the key imperatives are as we start to move towards an era where the whole trade landscape is being renegotiated, because we're seeing the breakdown in WTO. WTO rules aren't necessarily exactly what they should be at the moment to cope with all of this. What are the key challenges?

>> Well, that's the disjunction that's happening. As you say, the global economy is becoming more and more integrated. The economics are pushing toward more and more globalization. Supply chains, so when countries undertake strategies, like the US has in some of its trade negotiations, that consciously disrupt the supply chains, that's anti-economic. It's moving against the objectives of improving efficiency of allocation, global economic welfare, maximizing the benefits for all the countries involved, and all that, in turn, requires a stronger, more effective global economic order that could have rules of the road that people will adhere to and will be enforced because as all this happens, the impact on the lives of individuals in all of our countries becomes more and more profound. As globalization expands both in depth and in breadth, its impact on individual lives has

intensified. That has jarred lots of people around the world. Some people's incomes had been adversely affected, some people have lost jobs. All of our countries have to do better in helping the losers from globalization. That's a big part of the backlash. The US has done the worst job, incidentally, in dealing with that set of problem, and that's probably why we're feeling such a strong backlash here in this country, but the international rules of the road have to be broadened to cover new issues like Larry Kudlow mentioned. They're trying to broaden the rules through their negotiation with the Chinese, through their renegotiation of NAFTA, which has some downsides, but has done good stuff in that area. Trying to keep the international trading rules, the institutions, the mechanisms that provide safeguards for the global system, try to keep those up-to-date, ahead of the game if they could get there, but defending an open, international economic system that then enables individual countries to maximize their own national strategic benefit. If you get a big country going rogue in that context, it's very disruptive. I suggested earlier in my remarks that the two biggest trading countries have to some extent gone rogue. China has deviated a lot from the global trading norm and that's produced a lot of backlash. The United States in recent days has, to some extent, gone rogue as well. I don't want to equate the US with China. Certainly not, but the US has also deviated from some of the norms and rules, and has disrupted some of the international regime. So at the end of the day, sounds a bit Pollyannish, but we've all got to get together to beef up the World Trade Organization, strengthening the regional agreements, and strengthen the functional agreements, like on export credits, so that they will govern the global system in a way that is viewed as both effective and equitable. Louis mentioned the current export credit agreement covers well under half world trade. That's because new countries have come into the game who are not engaged. I suggested earlier and I'll repeat, it's critically important to find ways to bring those countries into the international agreements. That may require some changes in the international agreements. It's not as if we can say, take it our way or no alternative. No, they're big players, they have to be accommodated. Integrating China into the global economic leadership is in some sense the existential issue for the 21st century because they're a global economic superpower, they've got some different ideas, but they depend on the global system, they know they benefit from it. So if we're skillful, we can help integrate them into that, but we've got to do that or else the whole system is at risk. As I said earlier, we're all gonna pay a big, very heavy price if we let it slide.

>> Thank you, so on that cheerful note, I'm going to ask each of the panel members one question, and they have 30, 45 seconds to answer it. One very simple question. How does US EXIM compete in this global world that we're living in that is transitioning along this way? Pat, I'm gonna start with you.

>> Get a board quorum. No, I mean it needs to happen. I think EXIM can

certainly be relevant, and EXIM was always very relevant and aggressive and one of the strongest ECAs in the market, but it's been years at this point where we need to re-instill some faith in United States' ability to deliver on export financing. So I think we certainly need to push the SME agenda in terms of bringing that along as well in terms of helping small businesses through letters of credit, financial standbys abroad, other products besides your big buyer credits that are really gonna move the needle for their exports, but I think we can tackle content and other issues that have always been a hindrance for EXIM versus other ECAs when we push through on the board quorum, of course, so.

>> Brilliant, thank you.

>> So I'll say as a global business provider, we absolutely need EXIM to be successful. The fact is we have to have a fair and level playing field, but we need to be able to bring the financing to the opportunities that's competitive, and then when I win globally, I have 2,000 other suppliers around the world, a lot of those in the US, that win as well, so it's both big and small companies that are part of this supply chain that it's critical that that we have the financing so we can go compete on a global stage.

>> Thank you, Lou.

>> Well, number one, please come back properly, fully, but secondly, I think it's really important, in pursuit of US goals, absolutely, to do that in collaboration with others, and please do collaborate as much as possible with other ECAs on as many transactions as you can because that multilateralism, and I don't want to steal any of Fred's thunder, is just really important. We all get more out of things when we're all doing well.

>> Fred.

>> Well, I think there really are two big things. I'll accuse my colleagues of being perhaps not quite ambitious enough. EXIM, I think, has done a terrific job and the way it runs its portfolio, the way it has managed the export credit program, has been superb. Always room for improvement, but basically, the management has been good. The need is for much more firepower, and I would suggest a very ambitious multiplication of the amount of resources available for the EXIM Bank to support US export credits in this very competitive world. The Congress has just approved a doubling of the capital of the OPIC, the Overseas Private Investment Corporation. It's useful. I was on its board for four years while I was Under Secretary of the Treasury, but I'll submit that the EXIM Bank is much more important. As we're willing to double OPIC, we ought to be willing to multiply the resources available for the EXIM Bank, so when it comes back into operation, with the quorum, with the new leadership, I'm gonna urge

it, but this of course is the administration, to be very ambitious in terms of the amounts of money involved. It's not a budget drain, we all know that. The EXIM Bank makes money. Properly accounted, it helps the budget, it doesn't hurt it. There is no budget argument against it, and even Kudlow, the great free marketeer who says, I'm against government intervention in general, supports the program, so it needs to be much bigger. Secondly, that leverage needs to then be used to greatly improve the international agreement that tries to restrain excessive and unfair competition in export credits. If only 30% of trade is covered, that's a big indictment of the current regime. It has eroded, it has failed to live up to the original promise, and what we have all hoped to what the US has always sought to achieve from that agreement, so a big, new effort's got to be made to broaden the network, bring the new countries, particularly, China, but there are many others, under the umbrella. That's not something the EXIM Bank itself can do, that's the administration, but the EXIM Bank ought to push in that direction. If we want to make America great again, if we want to strengthen our economy, if we want to have a really effective trade policy, if we want to boost American exports, and through that, enhance job creation and American competitiveness on the world scale, we've got to have a world-class export credit program, and the things I suggest, I think, would help us move in that direction.

>> Thank you very much indeed to my panel. Let me just summarize by saying the future of trade finance is strategic, the future of trade is EXIM. Thank you very much indeed.