America’s Global Economic Leadership

A Strategic Return on U.S. Investments
With 95 percent of the world’s consumers living outside our borders, American businesses know that the path to economic growth and prosperity is through opening new markets and building new customers in developing countries. America has the largest and most advanced economy in the world, but our competitors are constantly challenging America’s economic and technical superiority. The question now is how can the United States remain the most productive and competitive economy in the world?

We have come together to present the case that America’s diplomacy and development programs are critical to our economic prosperity and national security – and help advance our nation’s values around the world. Accounting for nearly 60 percent of the global economy and more than half of U.S. exports, emerging economies represent substantial market opportunities for our businesses. However, they at times lack the conditions – political and economic stability, rule of law, a transparent business environment, and educated workforce – that enable our companies to thrive.

America’s global economic leadership generates an enormous return on investment that helps create millions of good and quality jobs here at home. Our nation’s diplomats and development workers help build stability in developing countries, tackle the root causes of violence, and create business-friendly environments for American companies to flourish. Moreover, U.S. global leadership helps American companies compete on a level playing field, tear down unfair regulations, and attract investment to the United States.

It is not in America’s interests to withdraw from the global rules-based economic system that it helped establish, especially when our competitors are fiercely utilizing all available tools to attract investments and take business away from our companies.

As we face an increasingly competitive world, we believe America’s strong economic engagement is critical to ensure our economic and national security interests. We recommend:

- Increase and streamline opportunities for partnership between American businesses and the State Department and U.S. development agencies on global challenges;
- Expand U.S. trade and development finance tools – that come at no net cost to the American taxpayer – to boost their ability to help American businesses compete in fast growing economies when commercial finance is unavailable;
- Extend America’s capacity to engage in commercial diplomacy by growing the cadre of Foreign Service Officers trained in economics to ensure U.S. companies can compete in the global marketplace;
- Sustain a strong and effective International Affairs Budget to ensure diplomacy and development can meet today’s global challenges and deliver the best possible value for American taxpayers.

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America’s Return on Investment from Global Economic Engagement

In today’s interconnected world, America’s economic prosperity is directly tied to the global economy.

The reasons are simple: 95 percent of the world’s consumers live outside the United States, and international trade supports 41 million American jobs. This means that the United States cannot turn its economic sights inward and hope to thrive, and American businesses cannot sell only to a domestic audience and expect to compete globally.

Exports as a Share of the U.S. Economy from 1965 to 2015

Source: The World Bank
These factors also point to another reality in the 21st century marketplace: economic growth in other countries has created new opportunities for U.S. companies and enterprises of every size. As a result, America’s global economic engagement is essential to our short- and long-term economic prosperity at home, and generates a clear return on investment by making our country more competitive, building and opening new markets, and partnering with the private sector to promote economic growth.

Consider the following:

- 11 of our 15 top export markets today are former recipients of U.S. foreign assistance.
- American diplomats and Foreign Commercial Service Officers have facilitated more than $18 billion in investments in overseas markets for hundreds of U.S. companies since 2011.
- U.S. development financing by the Overseas Private Investment Corporation (OPIC) has supported more than $200 billion of American private investment, generating $80 billion in U.S. exports and supporting more than 280,000 American jobs.
- For every $1 the U.S. Trade and Development Agency (USTDA) invested in its programs, the agency generated $85 in exports by American businesses.
- The initial U.S. commitment of $7 billion to Power Africa leveraged over $40 billion in private sector commitments to increase electricity in sub-Saharan Africa and catalyze economic development.

Today, many of the fastest growing economies reside in the developing world, and those markets account for almost 60 percent of global GDP, a threefold increase since 1990. They are home to 85 percent of the world’s population, and most of the 5 billion middle class customers will come from developing countries by 2030. They already account for more than half of U.S. exports and even the poorest two-thirds of the world’s population represent $5 trillion in purchasing power for goods and services.

Each of these factors reinforces the idea that strategic investments in diplomacy and development not only strengthen partners beyond our borders; they are critical to our future prosperity as well.

“More exports support better and higher-paying jobs and that’s important for our citizens to understand. People who work for companies which export have a higher-paying job than someone who doesn’t. And so I believe strongly that we’ve got to expand trade.”

– President George W. Bush
Strengthening America’s Competitiveness

The United States can compete abroad only with active leadership in capturing the growing economic opportunities in an increasingly complex, fast-changing, interconnected global marketplace.

For decades, the U.S. economy has been the envy of the world and the dominant force in international commerce. We account for a quarter of the world’s economy and were home to nine out of ten of the world’s top brands in 2015. The United States emerged in better shape in the wake of the Great Recession than any other industrialized nation – and America still is the largest and most dynamic market globally, able to influence commercial currents and spur waves of economic activity throughout the planet.

America’s prosperity rests on our enduring engagement in the global economy as the rest of the world is rapidly catching up. The U.S. economy’s share of the global market has declined since 1960 from a high point of nearly 40 percent of global GDP, as other economies have aggressively expanded their global reach.

The fact is that America’s competitors are increasingly active in advancing their national economic interests in hopes of obtaining a larger piece of the global economy. And if the U.S. does not take clear steps forward to stay competitive, we – and American businesses – risk not only standing still, but losing influence and falling behind.

**Key Challenge: Other Government’s Support for the Competition**

In today’s ever more competitive economy, the United States needs a clear outlook on how to most effectively deploy public resources to strengthen our businesses worldwide. For decades, America’s entrepreneurs and business leaders have done their utmost to out-innovate, out-sell, and out-compete their foreign counterparts.

Yet the rules of the global economy are being rewritten beyond our shores as our businesses face steep competition from foreign companies boasting robust support and investment from their own governments. Our country’s top competitors, from India and China to Germany and Canada, all take direct concrete actions to give their companies comparative advantages over ours.
Official Export Credit Volumes from 2006 to 2015*
Source: Export-Import Bank of the United States

* U.S. Export Credit was cut in half in 2015 due to the lapse in EXIM authorization
For instance, in 2014, China provided $58 billion worth of export credit to support Chinese companies, nearly five times more than America’s $12.1 billion. Germany exceeded U.S. support by over $2 billion. What’s more, the lapse in America’s export credit agency’s authority in 2015 resulted in a 50 percent drop in authorizations, while other nations accelerated their efforts to lure businesses and consumers away from American exporters.

To help level the playing field, the U.S. Export-Import Bank supports American businesses by translating export opportunities into real sales. Since 2009, the Bank has helped finance more than $200 billion in U.S. exports. This financing not only boosts companies’ bottom lines, but also creates American jobs. In fact, in 2015 alone, the Export-Import Bank’s efforts supported an estimated 109,000 jobs here at home. Beyond those benefits, the Export-Import Bank operates at no net cost to American taxpayers and actually helps reduce the federal deficit, generating nearly $7 billion in revenues over the past two decades.

The bottom line is that if America does not lead, other countries will fill the void, with little to no consideration for our economic interests. This is already happening. After Congress failed to ratify institutional changes that had been proposed by the United States at the International Monetary Fund, China led the creation of a new development finance bank – the Asian Infrastructure Investment Bank (AIIB). The AIIB includes not only our competitors but some of America’s closest allies – the UK, Germany, France, South Korea, and Israel. It poses a credible alternative to the U.S.-led World Bank, giving China more leverage over its Asian neighbors. Moreover, China’s official development assistance to Africa has increased by more than 780% since 2003, and it has been actively negotiating a Regional Comprehensive Economic Partnership with 16 countries in Asia, which could exclude the U.S. from key markets that make up nearly 30 percent of global GDP.

These are clear reminders that anytime the U.S. steps back from its global economic leadership, our competitors are more than willing to step in and direct the global marketplace in a direction that bolsters their advantages, often at the expense of our own.

“We are more determined than ever to lead. We don’t want China to write the rules of the 21st century global economy. We want to do that.”

– Speaker Paul Ryan
U.S. House of Representatives
America’s Answer: Commercial Diplomacy

Commercial diplomacy, led by U.S. diplomats at the 275 embassies and diplomatic posts around the world, is vital to maintaining America’s competitive edge by creating and defending economic opportunities that support U.S. jobs.

Trained economics officers are the eyes and ears of American businesses abroad, helping to promote our interests in overseas markets. These public servants are advocates and liaisons between the U.S. and foreign governments. They gather local business intelligence to maximize our companies’ commercial opportunities as well as working through diplomatic channels to resolve regulatory and investment problems on the ground.

And they deliver concrete results – for example, in 2012, the U.S. embassy in Indonesia played an instrumental role in helping Boeing secure the largest single commercial aircraft sale to Indonesia’s Lion Air, worth almost $23 billion and generating new jobs in the U.S.

Commercial diplomacy not only extends the reach of our businesses around the world, but it also brings foreign direct investment (FDI) home, often stimulating new economic growth and well-paying jobs in our communities. In 2015, our embassy in Switzerland, working with the Departments of Labor and Commerce, helped 18 Swiss companies to invest and expand their apprenticeship programs in the U.S. These companies, accounting for over 100,000 jobs in the U.S., have committed to partner with our community colleges to help train Americans for the opportunities of the 21st century. Taken together, these demonstrate the powerful impact commercial diplomacy can have on our families, on America’s future workforce, and on our economic well-being, both now and over the long-term.
Building and Opening New Markets for American Businesses

Strategic investments in diplomacy and development build and open new markets around the world for American businesses by fostering stability, advancing the rule of law, and supporting financial reforms that make markets more free, fair, and attractive to private investment.

The results of America’s global economic engagement are clear: America exported more than $2 trillion in goods and services in 2016, and today, 11 of our 15 top export markets are former recipients of U.S. foreign assistance. America’s leadership in these areas has helped transform countries such as South Korea from aid recipients into trading partners and aid donors. Indeed, annual U.S. exports to South Korea today top $40 billion, far greater than the total assistance the United States provided to South Korea decades ago.

“Since the United States-Korea Free Trade Agreement went into effect, our two-way trade in goods and services has grown by nearly $20 billion … Today South Korea is one of the fastest growing sources of foreign direct investment in the United States of America with more than $40 billion and growing invested in the United States so far.”

– Vice President Mike Pence

Building the Enabling Environment for Investment

American businesses thrive in overseas markets when the conditions required for private investment flourish, including free and fair market policies, transparent financial infrastructures, and good governance. Unfortunately, these conditions are limited in too many countries. Oftentimes, reforms are limited by a
range of barriers including weak rule of law; inadequate infrastructure; inadequate health and education systems to support an effective workforce; and in some areas – instability, violence, and conflict.

These obstacles cannot be overcome by the private sector alone. Strategic U.S. investments – of time, funds, and diplomacy – can help create an environment conducive for business investment, thereby promoting stability in fragile states, developing more accountable and transparent governments, and encouraging investments in health, education, and infrastructure.

The Millennium Challenge Corporation (MCC), for example, provides assistance to countries that have demonstrated a commitment to democratic governance and economic freedom. As a result, developing countries have enacted significant policy reforms to qualify for MCC’s assistance, thus creating a climate that is attractive to U.S. private investment. For example, in Benin, Ghana, and Jordan, MCC’s recent commitments of over $1 billion led to new opportunities for the private sector and ultimately catalyzed nearly $5 billion in American private investment.

The U.S. Agency for International Development (USAID) also works with developing countries to reform their economic policies toward competition and market orientation from government-controlled economies. This in turn creates new opportunities for American companies and workers.

“The 1 percent we spend on aid for the poorest not only saves millions of lives, it has an enormous impact on developing economies – which means it has an impact on our economy.”

– Bill Gates  
Co-Chair of the Bill and Melinda Gates Foundation

To give but one example, from 2001 to 2013, USAID invested about $30 million to help Vietnam improve its domestic business regulatory environment and open its economy to foreign competition. As a result, U.S. exports to Vietnam have substantially increased— from $460 million in 2001 to over $10 billion today. Furthermore, since 1999, USAID through innovative financing mechanisms such as Development Credit Authority (DCA) has helped facilitate over $4 billion in private financing for more than 166,600 entrepreneurs around the world, contributing to the growth of a new generation of middle-class consumers abroad who can buy U.S. goods and services.

More Markets, More Exports, More American Jobs

Every time the United States unlocks new markets abroad and boost exports, we strengthen the foundation of American economic growth and prosperity: our workers, our small and medium-sized businesses, and our local and state economies.

Today, exports account for over 12 percent of America’s economy – directly and indirectly supporting millions of jobs across our nation’s communities. Furthermore, export-related jobs pay, on average, 18 percent more than non-export supported jobs. In real terms, that translates into an additional $1,300 in the pockets and paychecks of middle-class workers each year.
Exports also bolster the bottom lines of America’s small and medium-size companies, the engine of America’s economy. To this end, in 2014, the number of U.S. firms exporting goods abroad reached a record high of 408,685, with small and medium-size firms at nearly 98 percent of that total.

Finally, exports help boost state and local economies across the United States. For instance, between 2004 and 2014, the value of goods exported from Florida rose by more than 100 percent to $58.6 billion, and supported more than 240,000 jobs. And Iowa’s value of goods exported increased by 118 percent, supporting more than 100,000 jobs.

There is no question that generating more exports is a win-win for America. With just 1 percent of the federal budget, the International Affairs Budget is a powerful tool to help American businesses achieve more victories in developing markets and benefit more employers and employees.

For many American companies that want to do business in emerging markets, the primary obstacle is securing financing. The U.S. Overseas Private Investment Corporation (OPIC) fills this gap and helps American businesses take advantage of the enormous opportunities in the developing world that would otherwise be unavailable.

To date, OPIC has supported more than $200 billion in investments, generating $80 billion in U.S. exports and supporting more than 280,000 American jobs. OPIC also operates at no net cost to taxpayers and is actually a source of federal revenue through loan repayments and fees for investment services. In 2015 alone, OPIC returned $434 million to the federal treasury, marking the 38th straight year that OPIC has generated money for the American people.

For all the American companies – large and small – looking to compete as suppliers of goods and services in new markets, the U.S. Trade and Development Agency (USTDA) enables businesses to successfully position themselves by funding research and feasibility studies and hosting trade missions. Moreover, through USTDA’s investments, we maximize impact of our taxpayer dollars; every $1 invested in feasibility studies and partnerships abroad, USTDA generated $85 in exports. Simply put, these efforts increase U.S. exports, and in turn, support American jobs and businesses.
Partnering with the Private Sector

America’s global economic engagement has always tapped into a unique resource unmatched anywhere on the planet: the experience and expertise of our nation’s private sector.

Yet it wasn’t until recently that we began relying on a new model for promoting economic growth, whereby U.S. government initiatives – funded by the International Affairs Budget – are increasingly catalyzing the resources of American businesses to maximize the impact of our efforts and have an impact at scale.

“Very few of our domestic industries can sever what is now truly a global supply chain. And so, for those of us who truly believe that our economies have to work for everybody, the answer is not to try and pull back from our interconnected world.”

– President Barack Obama

This new approach reflects a dramatic transformation taking place in developing countries: fifty years ago, Official Development Assistance (ODA) made up 70 percent of all financial flows to the developing world. Now, that number is about 10 percent, with the balance coming from the private sector, foundations, and remittances. By partnering with the U.S. government, our businesses can take advantage of enormous opportunities in developing nations, particularly in agriculture and energy.

Leveraging American Expertise to Promote Food Security

With the world’s population expected to reach 9 billion by 2050, agricultural production will need to increase by at least 60 percent to meet the global demand for food. This poses a serious challenge for the United States to find new and innovative ways to help reduce hunger, which often is the root cause of violence, while improving the economies of developing countries. Yet, it also presents an opportunity to America’s private sector to play a role in promoting global food security while advancing our businesses’ and our nation’s economic interests.
Feed the Future, the U.S. government’s initiative to promote food security which was signed into law with widespread bipartisan support from Congress, harnesses the expertise and power of the private sector to create sustainable agricultural development. In FY2015 alone, Feed the Future helped form more than 1,500 public private partnerships, which resulted in over $154 million in private sector investments in the developing world.

These investments pay enormous dividends for communities in need around the world. In FY 2015, Feed the Future helped more than 9 million farmers in developing countries adopt improved management practices and new technologies like high-yielding seeds. As a result, these farmers made more than $800 million in new agricultural sales, representing a nearly 60 percent increase from the previous year and stimulated nearly $900 million in new agricultural loans. In addition to these economic benefits, Feed the Future also reached more than 18 million children through nutrition programs.

Beyond the benefits to farmers and families overseas, these public-private food security investments pay dividends for U.S. businesses. Developing countries now account for more than half of all U.S. agricultural exports, and since 1990, the average growth of U.S. exports to these countries has exceeded 10 percent annually. During the same period, agricultural exports to developed markets only grew by a rate of 2.4 percent. Additionally, 24 percent of U.S. agricultural employment is tied to exports, making these fast growing developing markets an important source of American jobs and economic growth.

Finally, our investments are complemented by U.S. government partnerships with more than 50 American universities to research and develop effective technologies that address current and future development challenges. This type of research has returned significant economic benefits to the states in which they are based and to the U.S. economy over time. For example, in the second half of the 20th century, the U.S. invested $134 million in wheat and rice improvement research to help alleviate poverty and hunger in the developing world. The new plant varieties developed from that research benefitted the U.S. economy by up to $14.7 billion by increasing yields, lowering production costs, and creating cheaper food for American consumers.

**Leveraging American Investments to Power Africa**

With six out of 12 fastest growing economies, Africa presents incredible economic and trade opportunities to American businesses. But the challenge is significant: two out of three sub-Saharan Africans – 600 million people – lack access to electricity, creating significant constraints to economic growth as well as widespread challenges for health, education, and safety.

The Power Africa initiative, signed into law with strong bipartisan support in Congress in 2016, aims to leverage U.S. strengths in energy technology to ultimately double the number of people with access to power in sub-Saharan Africa. The initiative has clear economic and societal benefits for the people it assists and the communities it strengthens abroad. But it is also another way for American companies to tap into fast-growing markets and create jobs here at home.

For this reason, more than 100 private sector energy companies and investment firms – including many American leaders like General Electric, Symbion Power, Hecate Energy, Citigroup, and Goldman Sachs – have signed onto the Power Africa partnership network, teaming up with U.S. development agencies to bring reliable energy to Africa. Through these efforts, Power Africa has already leveraged over $40 billion in commitments from the private sector, after an initial $7 billion initial commitment from the U.S. government.
Recommendations for Renewing America’s Global Economic Engagement

America’s global economic engagement is absolutely critical to advancing our foreign policy interests while fostering global prosperity that opens new markets abroad and jobs at home.

In the 21st century, the United States cannot simply afford to fall behind or miss opportunities for American companies to compete effectively with our competitors, especially in countries and regions with the greatest potential for economic growth. And at just one percent of the federal budget, the International Affairs Budget yields tremendous benefits – helping promote our future prosperity by ensuring American companies can access markets anywhere.

To strengthen our economic leadership abroad and bolster economic growth at home, policymakers and lawmakers should embrace the following principles of America’s global economic leadership as a key strategic investment for growing American jobs:

- Increase and streamline opportunities for partnership between American businesses and the State Department and U.S. development agencies on global challenges;
- Expand U.S. trade and development finance tools – that come at no net cost to the American taxpayer – to boost their ability to help American businesses compete in fast growing economies when commercial finance is unavailable;
- Extend America’s capacity to engage in commercial diplomacy by growing the cadre of Foreign Service Officers trained in economics to ensure U.S. companies can compete in the global marketplace;
- Sustain a strong and effective International Affairs Budget to ensure diplomacy and development can meet today’s global challenges and deliver the best possible value for American taxpayers.
Success Stories

Building and Strengthening New Markets for U.S. Exports

SOUTH KOREA

Development assistance helped transform South Korea from a poor, war-torn nation into one of America’s closest military allies and economic partners. After the Korean War, South Korea was poorer than two-thirds of the countries in sub-Saharan Africa, and life expectancy at birth was just over 50 years. In the decades following the Korean War, U.S. development assistance and economic investments of roughly $35 billion (adjusted for inflation) were vital to Korea’s survival and helped build a strong foundation for economic growth. Today, South Korea has gone from being a recipient of foreign aid to a donor country. It has the world’s 11th largest economy, and life expectancy at birth now exceeds 82 years. Furthermore, it is the 6th largest trading partner of the U.S., with annual U.S. exports to South Korea topping $40 billion – more than the total invested there following the Korean War.

COLOMBIA

U.S. security and economic assistance has helped Colombia move from a fragile state to a strategic regional ally and economic partner. In the 1980s and 1990s, the Revolutionary Armed Forces of Colombia (FARC) undermined the security and rule of law in Colombia and across Latin America, destabilizing the U.S. southern border with the threat of a major drug war. Over the past two decades, the U.S. invested roughly $10 billion through Plan Colombia to provide security and economic development assistance to combat the spread of narcotics, train law enforcement, and promote economic growth. Thanks to America’s strategic investments,
violence in Colombia is at its lowest level since 1973 and a historic peace agreement between the Columbian Government and the FARC was recently institutionalized by the country’s Supreme Court. The improved security situation has led to impressive economic growth, creating an important market for U.S. goods and services. Between 2000 and 2015, annual U.S. exports to Colombia increased by 450 percent, from $3.6 billion to $16.3 billion, repaying the original investment in Plan Colombia many times over.

America’s economic and humanitarian assistance to Chile has helped fuel tremendous progress. Until the late 1980s, Chile suffered from slow economic growth and significant social unrest under the dictatorship of Augusto Pinochet. Thanks in part to U.S. assistance – along with economic and institutional reforms implemented by the Chilean government – the country has become one of America’s key economic partners in South America and an international aid donor itself. Over the past 15 years, Chile’s GDP grew from $32 billion to over $240 billion, a 650 percent increase; life expectancy increased from 73 to 81; and the infant mortality rate was cut in half. Chile has become America’s 22nd largest goods export market, while American exports have increased by 204 percent to $16 billion since 2005. Caterpillar Inc. for example, has tripled its exports to Chile since 2004. Additionally, as an international aid donor, Chile partners with the U.S. to help promote agricultural development and food security in other developing countries.

Market-based economic reforms in Vietnam have substantially increased U.S. exports. Under the Support for Trade Acceleration (STAR) Program, USAID helped Vietnam improve its domestic business regulatory environment and open its economy to foreign competition. From 2001 to 2013, the U.S. provided extensive, low-cost assistance to revise Vietnam’s commercial, legal, regulatory, and institutional framework to promote private sector investment. This led to the revision or enactment of over 160 laws and regulations affecting the economy and allowed the country to ultimately join the World Trade Organization (WTO) in 2007. The total cost of USAID assistance was only about $30 million, but the return on that investment has been dramatic. During STAR’s operation, the U.S. became one of the leading exporters to Vietnam, with U.S. exports increasing from $460 million in 2001 to over $10 billion today.
U.S. development assistance has helped Ethiopia make tremendous progress in health, food security, and education, creating the enabling environment required to attract foreign investment and making it an important export market for American businesses. After more than two decades of civil war, Ethiopia has become one of the fastest-growing economies in Africa. Between 2004 and 2015, Ethiopia achieved double-digit GDP growth, averaging nearly 11 percent per year. At the same time, U.S. exports to Ethiopia increased five-fold from $300 million to over $1.5 billion. Although more work needs to be done to build a resilient Ethiopian economy that can better absorb external shocks, U.S. development assistance has been instrumental in strengthening small and medium-sized businesses and smallholder farmers, expanding access to credit, and enacting policy reforms that allow businesses to prosper. American businesses are already taking advantage of the growing opportunities in the country, with nearly 100 U.S. companies now operating in Ethiopia.

U.S. development assistance to Taiwan in the 1950s and 1960s helped the country become the prosperous democracy and strong U.S. trading partner it is today. Over the years, the U.S. provided a total of about $1.4 billion in assistance to promote economic development in Taiwan, and to support its political transition from an authoritarian dictatorship to a free democracy. Today, Taiwan is America’s 10th largest trading partner, the U.S. is Taiwan’s largest foreign investor, and Taiwanese tourists now spend over $1 billion every year traveling to the U.S. Further, Taiwan has become a “beacon of democracy” – to use the words of President George W. Bush – and is itself an aid donor: providing assistance to Japan after the catastrophic earthquake in 2011; providing shelters and other supplies for Syrian refugees living in Jordan and Iraq; and supporting medical efforts to treat Ebola in West Africa.
Expanding American Businesses’ Footprint Overseas

EXPORTING MAINE’S INGENUITY

Information and communication technologies (ICT) can be a driving force behind economic growth and can improve the lives of people in developing countries. However, more than 4 billion people in these countries still do not have access to the Internet, due to lack of ICT resources such as hardware and software. Planson International Corporation, a woman-owned small business in New Gloucester, Maine, has been a supplier of information technology hardware, software, and services. Thanks to credit insurance from the Export-Import Bank, Planson’s annual exports – to a total of over 80 countries – have grown from $5 million to $35 million, and its staff has ballooned from 5 to 35 employees. According to Planson’s President Connie Justice, the Export-Import Bank’s support was instrumental to the company’s growth and economic prosperity: “Ex-Im Bank’s Working Capital Guarantee program gave us the ability to achieve this growth. We attribute Planson’s success almost exclusively to export sales. We use local suppliers for a broad range of goods and services. The benefits of Planson’s export success extend far beyond our company bottom line.”

A SOUTH CAROLINA BIOTECHNOLOGY COMPANY
IMPROVING GLOBAL HEALTH

In 2005, a small biotechnology company called Bridge to Life was founded in South Carolina with the mission of improving organ transplants by advancing the science of human organ preservation. A few years later, they were exporting new medical technologies to Colombia, Dubai, and China, but struggled to bring their lifesaving products to more developing countries. With $300,000 in insurance financing from the Export-Import Bank in 2011, Bridge to Life expanded their business into India, Pakistan, Thailand, Turkey, and across the Middle East. Over the last decade, Bridge to Life has made lifesaving organ transplants a reality for the developing world. The company has grown from 6 people to over 70 employees and has undergone a $45 million expansion, making it an important source of South Carolina jobs and allowing its cutting-edge medical technologies to save even more lives.
A CONNECTICUT TEA COMPANY IN RWANDA

Though Rwanda is still recovering from its 1994 civil war, American assistance has helped transform the country into a beacon of hope. Thanks in part to U.S. assistance, the percentage of Rwandans living in extreme poverty has been cut in half over the past decade and average life expectancy has risen 16 years since 2000. U.S. assistance has also helped promote economic growth and investment from American businesses. For example, the Sorwathe Tea Factory, an American business, was built in 1978 with a $550,000 loan from OPIC. When the company’s offices were destroyed during the civil war in the early 1990s, OPIC’s payment of political risk insurance allowed Sorwathe to stay and rebuild. Today, Sorwathe – headquartered in Westport, Connecticut – purchases tea leaves from about 5,000 Rwandan small landholders – making it a very important source of cash income for the local population and it produces roughly 20 percent of the country’s black tea.

AMERICAN REFRIGERATION TECHNOLOGY FOR KENYAN DAIRY FARMERS

There are nearly 1 million dairy farms in Kenya, but 85 percent of them do not have access to refrigerated storage or transportation due to limited electrification in rural areas. As a result, less than half of the milk that is produced reaches dairy processors, and of the milk that is processed, up to 30 percent of it spoils due to lack of refrigeration. Thanks to a grant from USAID, the American refrigeration company SunDanzer developed a solar-powered refrigerator that chills milk from farms immediately and keeps it cold during transportation to dairy processors. The resulting reduction in spoilage has already led to a 20 percent increase in milk production, providing these Kenyan dairy farmers with additional income that has been used to pay school fees and invest more in their farms. SunDanzer’s expansion to the developing world is paying dividends for them as well. The Arizona- and Texas-based company – which also produces solar-powered vaccine refrigerators – expects its sales to double this year, with most of the increase due to new sales in Africa.
A MASSACHUSETTS STARTUP IN KENYA

Over 1,400 children die every day from preventable diarrheal diseases caused by poor sanitation. This problem is particularly acute in slums, where nearly 1 billion people live. Massachusetts startup company Sanergy designed a low-cost, high-quality sanitation solution called Fresh Life Toilets to turn waste into fertilizer and biogas energy. Using a USAID Development Innovations Venture grant, Sanergy created a network of 60 low-cost latrines in Kenya run by local entrepreneurs. Every day, Sanergy engineers collect the waste, take it to a central processing facility, and convert it into fertilizer to sell to local farmers and biogas that feeds into the electric power grid. Today, nearly 700 of Sanergy’s Fresh Life Toilets are operated by nearly 500 local entrepreneurs; and nearly 9,000 metric tons of waste have been safely removed from the Mukuru slum in Nairobi. Sanergy’s waste-to-fertilizer model allows this small American company to tap into the growing multi-billion dollar global fertilizer and biofuel markets, creating jobs and profits both in Kenya and Massachusetts.

A CALIFORNIA TECH COMPANY EXPANDING ACCESS TO CREDIT IN EMERGING MARKETS

In developing countries, many small- and medium-sized businesses are dependent on a cash-based economy and do not build a credit history. This significantly hampers their ability to get a loan from financial institutions, making it difficult to start or expand a business. California technology company InVenture is working to close this credit gap. With the help of a $100,000 seed grant from USAID, InVenture created a financial tracking tool that works on any mobile device to help creditworthy individuals in emerging markets with daily accounting for their businesses. This tracking tool collects thousands of data points, allowing businesses to build a real-time credit score which can then be used to get a loan. By leveraging the initial grant from USAID, InVenture was able to raise over $1 million in private capital. Today, this American company is rapidly expanding throughout Africa and Asia, and has been recognized by the business magazine Fast Company as one of America’s most innovative finance companies.
Creating Opportunities for Industries at Home

AMERICAN ENERGY COMPANIES POWERING THE DEVELOPING WORLD

U.S. energy companies are finding that many of their fastest growing markets are in developing countries, creating jobs and economic growth here at home. Take Hecate Energy, a leading U.S. developer of solar, natural gas, and wind power projects based in Nashville, Tennessee. Through a partnership with USTDA, Hecate is building a solar farm at the University of Dodoma in Tanzania. Once completed, it will be the largest solar farm ever built on a college campus, providing 55 MW of sustainable electricity to the university and to the surrounding community as well – enough energy to power over 9,000 American homes. Hecate is currently managing five power projects in developing countries around the world, which will produce a total of 400 MW of electricity. In addition to creating jobs and growth opportunities for American energy companies like Hecate, by expanding reliable energy access, Power Africa is opening up an enormous new market for a variety of U.S. businesses in sub-Saharan Africa, which is expected to have more than 1.3 billion consumers by 2030.

BUILDING NEW MARKETS FOR AMERICAN AGRICULTURE

Developing countries now account for more than half of all U.S. agricultural exports, and 24 percent of U.S. agricultural employment is tied to exports – facts that haven’t gone unnoticed by American agriculture companies. In 2012, Cargill partnered with USAID and General Mills to improve global food security by bringing America’s 100-plus years of agricultural expertise, knowledge and resources to Africa’s food processing sector. The program helped over 250 food processors and millers in Tanzania, Zambia, Malawi, Kenya and Ethiopia, and improved the livelihoods of almost 550,000 smallholder farmers. As these African companies grow, it helps expand Africa’s agricultural sector, creating opportunities for U.S. agricultural products. In 2014, U.S. agricultural exports reached $2.3 billion, a 20 percent increase over five years.
Republican and Democratic Leaders Agree

Executive Branch

“More exports support better and higher-paying jobs – and that’s important for our citizens to understand. People who work for companies which export have a higher-paying job than someone who doesn’t. And so I believe strongly that we’ve got to expand trade.”

– President George W. Bush

“Very few of our domestic industries can sever what is now truly a global supply chain. And so, for those of us who truly believe that our economies have to work for everybody, the answer is not to try and pull back from our interconnected world; it is rather to engage with the rest of the world, to shape the rules so they’re good for our workers and good for our businesses.”

– President Barack Obama

“Since the United States-Korea Free Trade Agreement went into effect, our two-way trade in goods and services has grown by nearly $20 billion … Today South Korea is one of the fastest growing sources of foreign direct investment in the United States of America with more than $40 billion and growing invested in the United States so far.”

– Vice President Mike Pence

“For the United States, supporting international development is more than just an expression of our compassion. It is a vital investment in the free, prosperous, and peaceful international order that fundamentally serves our national interest.”

– Secretary of State Condoleezza Rice
“It’s an export world today. You can’t survive almost without it. You can’t just sell to yourself; 95 percent of the world’s market is outside the United States.”

– Secretary of State John Kerry

“Since World War II, trade liberalization has added about $13,000, on average, to each American household’s annual income. And it’s helped lift more than 1 billion people out of extreme poverty.”


Legislative Branch

“We are more determined than ever to lead. We don’t want China to write the rules of the 21st century global economy. We want to do that. We want a level playing field for our businesses.”

– Speaker Paul Ryan, U.S. House of Representatives

“For most of the last century, the United States-led system of open global markets has dramatically increased our prosperity. And it has lifted more than a billion people out of extreme poverty in the past 20 years alone, greatly serving our economic, political and humanitarian interests worldwide.”

– Chairman Ed Royce (R-CA)

“Fast-growing African markets offer enormous opportunities for U.S. businesses to expand and create jobs while contributing to development goals. The U.S. government has a critical role to play in facilitating partnerships with African nations that support our shared interests and boost economic growth.”

– Senator Chris Coons (D-DE)

“American companies and workers depend on a global economy and it is essential that they are in a position to take full advantage of global markets. The worst thing that can happen is for America to be shut out of these markets. In Texas alone, more than 40,000 companies export $325 million in goods annually.”

– Representative Kay Granger (R-TX)
“With 90 percent of consumers living outside of the United States, the biggest economic opportunity for our country is to sell those consumers products that the United States of America makes.”

– Senator Maria Cantwell (D-WA)

“We should be using existing foreign assistance dollars to advance U.S. economic interests.”

– Chairman Bob Corker (R-TN)

“I just want to point out that foreign assistance is just 1% of our budget, but it pays large dividends … We must make these investments not just because it is the right thing to do, but also because it helps contribute to economic growth, and just as importantly, stability.”

– Ranking Member Ben Cardin (D-MD)

“Small businesses represent 98 percent of all goods-exporting firms in the United States – 98 percent are small businesses – establishing our nation’s role as the world’s leader in international trade.”

– Representative Steve Chabot (R-OH)

“The more that American businesses export, the more they produce. The more these same businesses produce, the more workers they need. This means job creation for Americans.”


**Private Sector**

“Poverty and conflict all too often force people to leave countries they love in search of a better life for themselves and their children. So, trade policies coupled with foreign aid and sound development policy is critical … Today, more than half of the U.S. manufacturing workforce depends on exports. And that nearly half of all exports of U.S.-manufactured goods are sold to the 20 countries that have eliminated barriers through free trade agreements.”

– David MacLennan, CEO, Cargill
“There are 60 government export credit agencies globally that help their countries finance exports. China has invested more in exports in the last three years than the U.S. has in the last 50.”

– Jeffrey Immelt, CEO, General Electric

“For both parties, turning away from trade is not just a threat to our economy and millions of Americans’ livelihoods. It’s a threat to our national security as well … If we fail to lead, we will cede influence to others.”

– Thomas J. Donohue, President and CEO, U.S. Chamber of Commerce

“Our exports are in the area of 12 percent of GDP today. If you go back forty or fifty years, they were 5 percent.”

– Warren Buffett, CEO, Berkshire Hathaway

“In 2014, [Iowa] exported $15.1 billion in goods and services to other countries – up nearly 40 percent from 2010. Expanding the opportunities for U.S. exports and strengthening American competitiveness will not only increase economic success for Iowa’s families, farmers and businesses, it also will go a long way to advancing a global food system that will support more than 9 billion hungry mouths in the future.”

– Paul Schickler, President, DuPont Pioneer

“The bang we get for this small 1% of the federal budget is unmatched. When the State Department and USAID have the resources they need to create stable and growing markets for American goods – it’s truly an American jobs program.”

– Chris Policinski, President and CEO, Land O’Lakes, Inc.

“As a business person, I understand the value of getting a good return on your dollar. And that’s what we get when we fund our diplomatic efforts and international programs.”

– James W. Owens, Former Chairman and CEO, Caterpillar

“Our nation has gone from exporting less than $1 billion in dairy products in 2000, to more than $5.2 billion of exports in 2015, an increase of 435 percent. This enormous growth can be largely attributed to the market-opening free trade agreements negotiated by our government. It can help U.S. dairy exports continue to grow in key world markets.”

– Randy Mooney, Chairman, National Milk Producers Federation