

ADDRESSING GROWING GLOBAL ECONOMIC COMPETITION

Even prior to the economic downturn from the COVID-19 pandemic, there was widespread agreement on the challenge of growing global economic competition facing the United States. USGLC's [Roadmap for U.S. Global Leadership: Report on Reports](#) identified several areas of consensus in a review of recommendations by over 120 think tanks across the political spectrum ahead of the 2020 presidential election:

- Maximizing the impact of the U.S. Development Finance Corporation;
- Bolstering diplomatic capacity to promote U.S. trade, investment, and inclusive growth;
- Renewing international efforts to counter Chinese global economic influence; and
- Doubling down on economic engagement with Africa.

BY THE NUMBERS:

- **Largest trading partner:** China has surpassed the United States as the largest trading partner in nearly every region of the world, surpassing the United States in Africa in 2009 and becoming the largest trading partner to several countries in Latin America including Brazil, the region's largest economy.
- **65 countries:** At least 65 countries have increased their trade with Africa between 2010 and 2017, including Russia and China, at the same time trade with the United States has more than halved.
- **11 of our 15:** top export markets today are former recipients of U.S. foreign assistance.

MAXIMIZING THE IMPACT OF THE U.S. DEVELOPMENT FINANCE CORPORATION (DFC)

Created with broad bipartisan support through the Better Utilization of Investments Leading to Development (BUILD) Act in 2018, the DFC partners with the private sector to facilitate investment with a development impact in low- and lower-middle income countries and fragile states where traditional sources of financing are unavailable.

Key Facts:

- DFC returned [\\$232 million](#) to the American taxpayers in its first year, committed to 79 projects in 106 countries, and invested \$4.67 billion globally—2/3 of which was in low-income and lower-middle income countries and fragile states.
- DFC launched a [Global Health and Prosperity](#) Initiative to support the healthcare response to COVID-19 and provide up to \$2 billion in financing for health projects, targeting an additional \$3 billion in private-sector investment.

- In 2020, DFC's [2X Women's Initiative](#) invested \$2.5 billion and catalyzing over \$4 billion in capital to projects that economically support women as entrepreneurs, leaders, employees, and consumers -- more than during the three prior years combined.

BOLSTERING DIPLOMATIC CAPACITY TO PROMOTE U.S. TRADE, INVESTMENT, AND INCLUSIVE GROWTH

As many as 40 million American jobs depend on trade, and with increasing competition for export markets, foreign direct investment, and leadership on new technology, the mission of commercial advocacy by diplomats from the Departments of State and Commerce, U.S. Foreign Agricultural Service, USDA, and USAID at U.S. embassies abroad is critical to American economic growth.

Key Facts:

- 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.
- Of the 1,549 economic officers in the Foreign Service, only 369 were working overseas in economic positions spread across 278 embassies and consulates around the world in 2018.
- For every \$1 the U.S. Trade and Development Agency invested in its programs, the [agency generated \\$112 in exports](#) by American businesses.

RENEWING INTERNATIONAL EFFORTS TO COUNTER CHINESE GLOBAL ECONOMIC INFLUENCE

The Chinese Communist Party has pledged to become [a world economic leader by 2025](#) and has announced its ambition to set the set global rules for trade, artificial intelligence, telecommunications, and investment in multilateral institutions through its "China Standards 2035" plan.

Key Facts:

- China has increased its international affairs budget in recent years and currently has a [larger number of diplomatic posts around the world](#) than the United States as of 2019: 276 to 273.
- China is expected to spend over \$1 trillion on its "Belt and Road" initiative, which encompasses more than 60% of the world's population and one-third of global GDP.
- The China Development Bank has a portfolio of over \$1.3 trillion, compared with the U.S. Development Finance Corporation, which is [limited by law to stay below \\$60 billion](#) in financing.

DOUBLING DOWN ON ECONOMIC ENGAGEMENT WITH AFRICA

Prior to the COVID-19 pandemic, eight out of the ten fastest growing economies were in Africa. Africa's population is expected to roughly double to two billion by 2050, and Nigeria will surpass the United States as the third-largest country in the world.

Key Facts:

- Fifty-three out of 54 countries signed the [African Continental Free Trade Area \(AfCFTA\)](#) agreement, which has the potential to unite a market of more than 1.2 billion people and has a combined GDP of more than \$3.4 trillion, making it the fifth-largest economy in the world.
- Foreign governments have opened [more than 300 new embassies](#) in Africa since 2010, with Turkey opening the highest number of embassies followed by Qatar and India.
- U.S. trade with Africa has long been only [2 percent](#) of all U.S. foreign investment.

BIPARTISAN CONSENSUS:

- **Senator Jim Risch (R-ID):** “The future of the [Indo-Pacific] region is decisive for the United States, both economically and in terms of security. Prioritizing the Indo-Pacific means several things. It means expanding our economic engagement in the region’s growing markets, especially in Southeast Asia. It means consistently demonstrating the political will to deepen existing treaty alliances and grow other security partnerships. And it means ensuring the region is resourced properly as a proportion of the State Department’s budget and personnel.”
- **Senator Bob Menendez (D-NJ):** “It’s well past time for our government to step up U.S. diplomatic and economic efforts in the Americas and ensure China’s imposing presence in the region does not undermine the democratic values and universal human rights that the United States has helped advance for decades.”
- **Rep. Michael McCaul (R-TX):** “The DFC was designed...to help developing nations, uplift their economies of scale, and counter the Chinese Communist Party all at the same time.”
- **Rep. Nicole Malliotakis (R-NY):** “USAID has done critical work over the last two decades to promote economic prosperity, build the capacity of trade partners, and create the environment for U.S. private sector investment.”