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PRESIDENT AND CHAIRMAN OF THE BOARD OF DIRECTORS
EXPORT-IMPORT BANK OF THE UNITED STATES**

REMARKS AT CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES (VIRTUAL EVENT)

**FUTURE DIRECTIONS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES:
NEUTRALIZING CHINA AND ADVANCING THE UNITED STATES COMPARATIVE
LEADERSHIP IN THE WORLD**

Washington, D.C.

July 31, 2020

Remarks as Prepared for Delivery

Thank you, Dan Runde, for hosting me today. Dan, I so appreciate the great work you are doing by chairing our Export-Import Bank of the United States (EXIM) Sub-Saharan Africa Advisory Committee. Your commitment and understanding of the connection between the private sector and good governance in extending freedom and prosperity, especially to Africa and the developing world, really comes through in your leadership of the Committee.

I also want to thank the Center for Strategic and International Studies (CSIS) for all the innovative thinking and sound judgment this organization has applied to our nation's security over so many years, and for working to make the world safer and freer.

I join you virtually today from my office at EXIM, which is on the northeast corner of Lafayette Park and overlooks the White House. This agency was created in 1934, and it is an honor to serve as the first woman President and Chairman of the Board of Directors of EXIM. You will see behind me on the walls of this historic office knotty pine paneling, which, as the first West Virginian to lead EXIM in its 86-year history, has a special meaning to me.

We all continue to contend with the difficulties brought on by the COVID-19 global pandemic, but Americans will succeed in returning to greatness, health, and peace of mind. Banishing fear today means together re-opening, safely and effectively, the greatest economy the world has ever seen—an economy the American people built thanks to President Trump's policies of cutting taxes, reining in regulation, and standing up for American workers.

But to return to that greatness we must fearlessly use all the tools we have available. One of the most important tools is export finance.

This is where my agency comes in. EXIM fills gaps in private export finance to bolster U.S. job growth. EXIM does this through trade financing solutions such as export credit insurance, working capital guarantees, and guarantees of commercial loans to foreign buyers—all of it to empower the exporters of U.S. goods and services.

When I look out my window and see the White House, I thank President Trump for nominating my fellow Board Members, Spencer Bachus and Judith Pryor, and me. This bold step led to the full reopening of EXIM after nearly four years of dormancy except to transactions under \$10 million. Between 2015 and 2019, EXIM had no quorum of its Board of Directors, and so its ability to perform its mission of supporting U.S. jobs by facilitating American exports was severely limited. And, the world changed a lot over those four years, particularly when it comes to the People's Republic of China. But with the firm support of the President and a strong bipartisan majority in Congress, that quorum was restored with our U.S. Senate confirmation on May 8, 2019. I also appreciate the important contributions U.S. Secretary of Commerce Wilbur Ross and U.S. Trade Representative Ambassador Robert Lighthizer, who serve as *ex officio* Members of EXIM's Board of Directors.

On July 20, our nation celebrated the 51st anniversary of the historic moon landing. I felt that same sense of American innovation and purpose when, at Andrews Air Force Base on December 20, 2019, President Trump established the Space Force and, later that night on Air Force One, signed into law EXIM's historic reauthorization. Thanks to the President's leadership and bipartisan support in the Congress, EXIM was reauthorized for the longest period in its 86-year history—a historic seven years. This gives needed certainty to U.S. businesses and stakeholders, as well as to the world.

In the short time since, EXIM has already made great progress on behalf of American business and U.S. workers. In Fiscal Year 2019, EXIM authorized a total of \$8.2 billion in financing—including \$2.2 billion for small businesses—and this is estimated to support 34,000 U.S. jobs. Thus far in Fiscal Year 2020, as of June 30, EXIM has authorized \$1.9 billion in financing that is estimated to support 12,000 U.S. jobs. Just yesterday, the EXIM Board of Directors approved a \$97.2 million transaction supporting 800 U.S. jobs, mainly in Florida, that utilized an EXIM COVID-19 economic recovery measure. And we look forward to considering more transactions soon, while also protecting the American taxpayer.

Congress mandated in our Charter that EXIM focus on promoting the expansion of EXIM's financial commitments in sub-Saharan Africa. The EXIM Board unanimously authorized one of the largest transactions in EXIM's history, a \$4.7 billion transaction assisting the construction of a liquified natural gas (LNG) project in Mozambique. It involves 68 U.S. suppliers supporting 16,700 American jobs in Florida, Georgia, Louisiana, New York, Oklahoma, Pennsylvania, Tennessee, Texas, and the District of Columbia. Follow-on sales are expected to support thousands of additional jobs across the United States. And this transaction is significant not only because of its historic size, the U.S. jobs supported, and the potential for economic freedom for the Mozambique people, but because EXIM's involvement helped displace Chinese and Russian financing from this deal.

Speaking of China, that country has changed the nature of global competition over the past years with a pre-meditated strategy of aggressive official export financing. It totaled at least \$76 billion in 2019, dwarfing that of any other country. Its official medium- and long-term export credit activity was roughly equal to that of all G7 countries combined—for the second year in a row.

China has been the catalyst for most major export credit agencies becoming more proactive. There were 85 export credit agencies four years ago; now there are 115—a striking 35-percent increase from 2015 to 2019.

Last month, I was pleased to submit EXIM’s annual [Report to the U.S. Congress on Global Export Credit Competition](#). The Report underscores the magnitude of Chinese state-backed unfair competition, which undermines our U.S. exporters and even puts America at a disadvantage in key sectors critical to our long-term economic and national security. Fortunately, our nation is taking a competitive approach to these, and other, challenges posed by Beijing, as outlined in [the United States Strategic Approach to the People’s Republic of China](#) released in May.

Over the last few years, the Trump Administration has pursued a comprehensive, whole-of-government approach to helping the United States maintain its technological edge over geopolitical competitors, particularly, China. National Security Advisor Ambassador Robert C. O’Brien ([“The Chinese Communist Party’s Ideology and Global Ambitions”](#) at the Arizona Commerce Authority Conference Center), FBI Director Christopher Wray ([“The Threat Posed by the Chinese Government and the Chinese Community Party to the Economic and National Security of the United States”](#) at the Hudson Institute), Attorney General William P. Barr ([Remarks on China Policy](#) at the Gerald R. Ford Presidential Museum), U.S. Secretary of Defense Mark T. Esper ([“U.S. Vision for Security in the Indo-Pacific Region”](#) at the International Institute for Strategic Studies), and U.S. Secretary of State Michael R. Pompeo ([“Communist China and the Free World’s Future”](#) at the Richard Nixon Presidential Library and Museum) recently delivered a series of remarks explaining the different facets and implications of America’s relationship with China.

When it comes to EXIM, as part of our historic seven-year bipartisan reauthorization, Congress directed that EXIM establish a new “Program on China and Transformational Exports” (China Program), one of the most significant initiatives in EXIM’s 86-year history. The purpose of the China Program is “to support the extension of loans, guarantees, and insurance, at rates and on terms and other conditions ... fully competitive with rates, terms, and other conditions established by the People’s Republic of China.”

EXIM’s new legislative mandate will enable us to be a bold and innovative partner when our great U.S. companies and workers, seeking to compete against China all around the world, need support and private financing is not available.

The law charges EXIM with a goal of reserving at least 20 percent—\$27 billion—of our \$135 billion financing authority—for the China Program, and with advancing “the comparative leadership of the United States” with respect to China, and supporting “United States innovation, employment, and

technological standards,” through direct exports in key industries, including 5G, fintech, renewable energy, biomedical sciences, biotechnology, artificial intelligence (AI) and advanced computing, and semiconductors. More generally, EXIM is placing emphasis on technologies critical to long-term American prosperity and security, such as space technology.

I recruited David Trulio, a senior leader from the Pentagon with tremendous leadership and international business experience in both the public and private sectors, to serve as my Counselor and Senior Vice President for the Program on China and Transformational Exports.

Former House Speaker Newt Gingrich recently wrote that without EXIM “there is no practical, clear way to compete against the ever-expanding Chinese economic-military machine.” With this new Program on China, EXIM is directly taking on China’s opaque and exploitative model of economic development and finance, while at the same time supporting American jobs.

Over just the last few months, our agency has actively engaged important members of the nation’s high-tech industrial base to solicit their views on how the agency can be more helpful to them in supporting their exports abroad.

This outreach will hopefully drive new significant deal flow supporting U.S. jobs. But, we—I—want more. A lot more—particularly deals supporting smaller but growing companies, which have been an exciting source of innovation around the country. Not only in Silicon Valley and New York, but also in places like Austin, Orlando, Denver, Atlanta, Raleigh-Durham, and Phoenix, and even in West Virginia—all of which are maintaining exciting emerging technology ecosystems that need to be supported.

Why? Because the mission is that important. The United States and China are increasingly on separate paths in the development and use of powerful, foundational technologies around the world. It began with 5G and drone technology and will likely continue through AI, advanced and quantum computing, and other emerging technologies.

Where those capabilities have been developed in the United States—we must support their export. With this in mind, EXIM can support U.S. technology innovators in their desire to compete in the international marketplace, which is a vitally important part of our overall economic and national security approach to addressing China’s ambitions to technologically dominate worldwide.

This is what Congress wants us to do. And, this is what the President wants us to do. In this mission, EXIM must succeed.

EXIM also is implementing six reforms from Congress to which I, someone who believes in free markets and prosperity while not unilaterally disarming to the disadvantage of the United States, am personally committed:

1. Increasing transparency;
2. Strengthening taxpayer protections;

3. Improving protections for domestic companies;
4. Ensuring EXIM does not “crowd out” private financing options;
5. Cracking down on bad actors; and
6. Working to reduce the reliance on export credit agencies globally.

To better ensure that EXIM is not competing with private capital, EXIM has amended the agency’s economic impact procedures to better assess the potential impacts of its pending transactions on relevant domestic industries. And EXIM has strengthened its determination of “additionality”—why a transaction could not go forward without EXIM financing and therefore requires EXIM support. The agency now will require an overall more robust process and more written documentation from applicants to determine additionality, from the inception of each transaction until it is presented for Board consideration.

In the past, EXIM has been needed most during periods of stress in global financial markets. This was the case following the 2008 financial crisis when EXIM authorizations increased 80 percent. When COVID-19 impacted our country and the world, EXIM took swift action and we continue to respond to the U.S. and global financial disruptions and instabilities.

At the outset of the crisis, EXIM quickly mobilized as part of a whole-of-government approach to focus on the pandemic economic recovery. I am so proud of our 515 employees and contractors at EXIM for how, on a temporary basis, they transformed into a fully-teleworking agency, putting health and safety first as they worked with American exporters to reduce the negative economic impacts of the pandemic—especially when it comes to U.S. jobs.

I just want to say what an immense honor it is to be a part of furthering this historic effort to support and advance America’s prosperity. EXIM’s new vision is “Keeping America Strong: Empowering U.S. Businesses and Workers to Compete Globally.” EXIM is going to be serving American businesses of all sizes that seek to export; we are going to continue to be supporting U.S. jobs, and helping to keep America strong for years to come.

Thank you again, Dan. I am happy to take questions.