

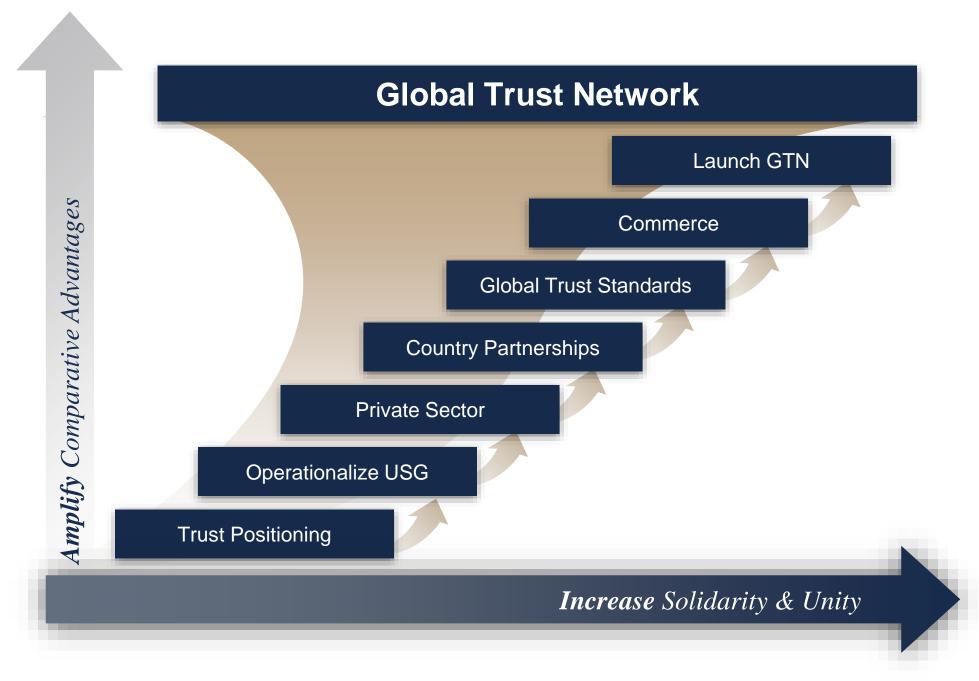
### BUILD GLOBAL TRUST NETWORK

Build Trust Networks of Networks Among Friends, Partners, and Allies

GLOBAL ECONOMIC SECURITY STRATEGY

U.S. Department of State, September 12, 2019

# Leveraged Growth Strategy





### **GLOBAL ECONOMIC SECURITY STRATEGY**

Proactive Integrated Strategic Plan & Execution Mechanism

Keith Krach Under Secretary of State

U.S. Department of State, November 2019, Unclassified



#### GLOBAL ECONOMIC SECURITY STRATEGY

2



Scale with Allies and Partners Amplify the Moral High Ground

3

CEO FORUMS, INNOVATION INVESTMENT FUND BILATERLAL ECONOMIC, ENERGY, & ENVIRONMENT PARTNERSHIPS

RAISE THE STANDARDS, GLOBAL ECONOMIC TRUST NETWORK

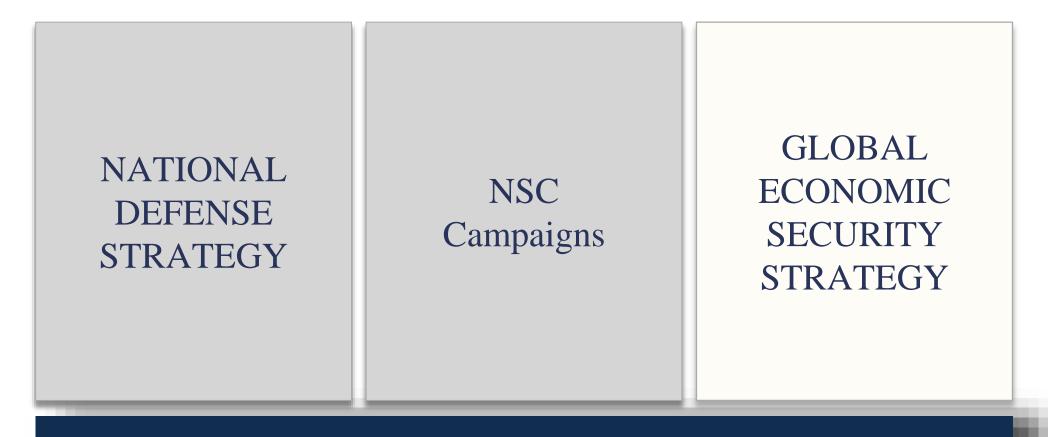


### The Mission

Develop and operationalize a proactive, integrated, Global Economic Security Strategy (GESS) that combats economic aggression, maximizes national security, and advances prosperity and peace for the world.

### Extension of National Security Strategy Platform

GESS complements the National Defense Strategy



#### NATIONAL SECURITY STRATEGY

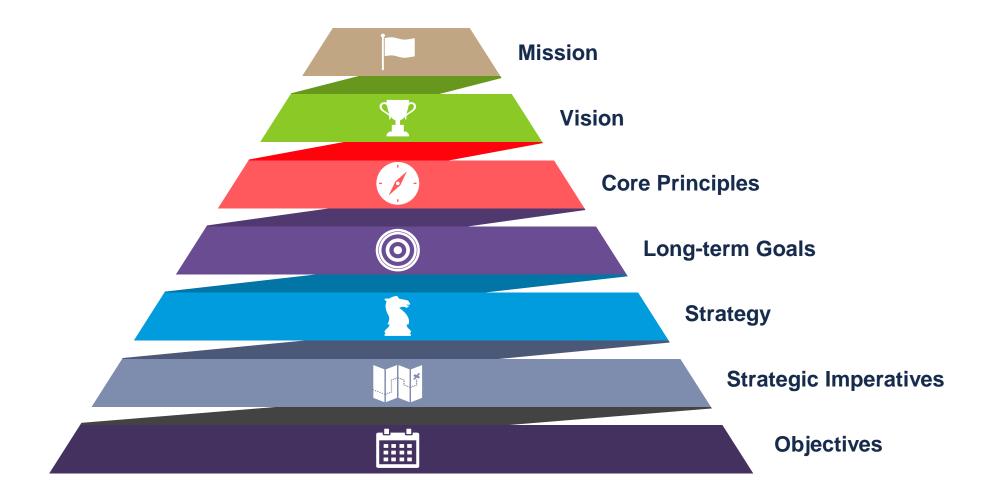
## Build upon NSC platform

To lead abroad

			I U ICAU ADI UAU
PILLAR I	PILLAR II	PILLAR III	PILLAR IV
Protect the American People, the Homeland, and the American	Promote American Prosperity	Preserve Peace through Strength	Advance American Influence
Way of Life Protect, Promote,	GLOBAL ECONOMIC SECURITY STRATEGY		

#### NATIONAL SECURITY STRATEGY

### *The Playbook for: Alignment, Cascading, Sequencing, Scaling*



## VISION



#### GLOBAL ECONOMIC SECURITY STRATEGY

Global Trust Network that harnesses the innovation, resources and synergies of USG, private sector, allies and partners to advance prosperity and peace for the world.

### Global Trust Network

In the GESS strategic positioning platform: China's "One Belt, One Road" is a one-way road...that leads to Beijing.

- the Global Trust Network that includes countries, economies, companies, universities, civil societies, institutions, etc...
- that operates by principles called the Global Trust Standards
- for infrastructure, logistics, digital, trade, commerce, research, investment, supply chains and shared principles

# CORE Principles



GLOBAL ECONOMIC SECURITY STRATEGY



# LONG-TERM GOALS



#### GLOBAL ECONOMIC SECURITY STRATEGY

**ENSURE SUSTAINED ECONOMIC GROWTH** and prosperity for the American people, our partners, and our allies.

**EXPAND FAIR, FREE, & RECIPROCAL TRADE** principles and trust standards to all aspects of economic partnering

**CREATE A LEVEL PLAYING FIELD** in economies and markets based on integrity, reciprocity, accountability, transparency, and fairness

**GROW GLOBAL TRUST NETWORK** to be the largest geo-economic trading network in the world benefiting all members, rather than the ruling member state

**ACHIEVE GTN METRICS** in terms of countries, companies, economies, NGO's, universities, international organizations, financial institutions, industry leaders, etc...

# STRATEGIC IMPERATIVES



#### GLOBAL ECONOMIC SECURITY STRATEGY

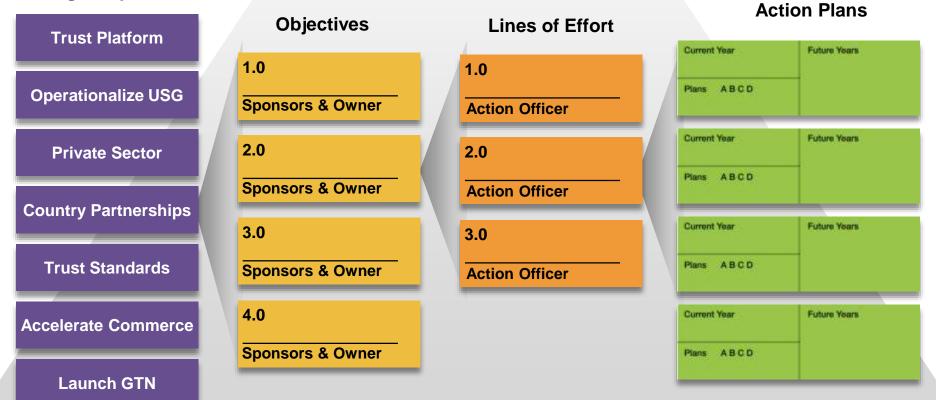
- **1. DEVELOP THE TRUST PLATFORM** by creating the GTN category, strategic positioning, and communication programs
- 2. OPERATIONALIZE USG existing policies/initiatives & integrate to maximize synergy
- **3. LEVERAGE PRIVATE SECTOR** with private/public initiatives, advisory councils, and GES Fund
- **4. STRENGTHEN COUNTRY/REGIONAL PARTNERSHIPS** with multi-dimensional economic packages
- **5. FACILITATE TRUST STANDARDS** by sector with governments, companies, and industries
- 6. ACCELERATE COMMERCE & FINANCIAL FLOWS by reducing friction through secure, transparent, and automated systems
- **7. LAUNCH GLOBAL TRUST NETWORK** at a major international event with significant and substantial momentum

# STRATEGY UNDERWAY

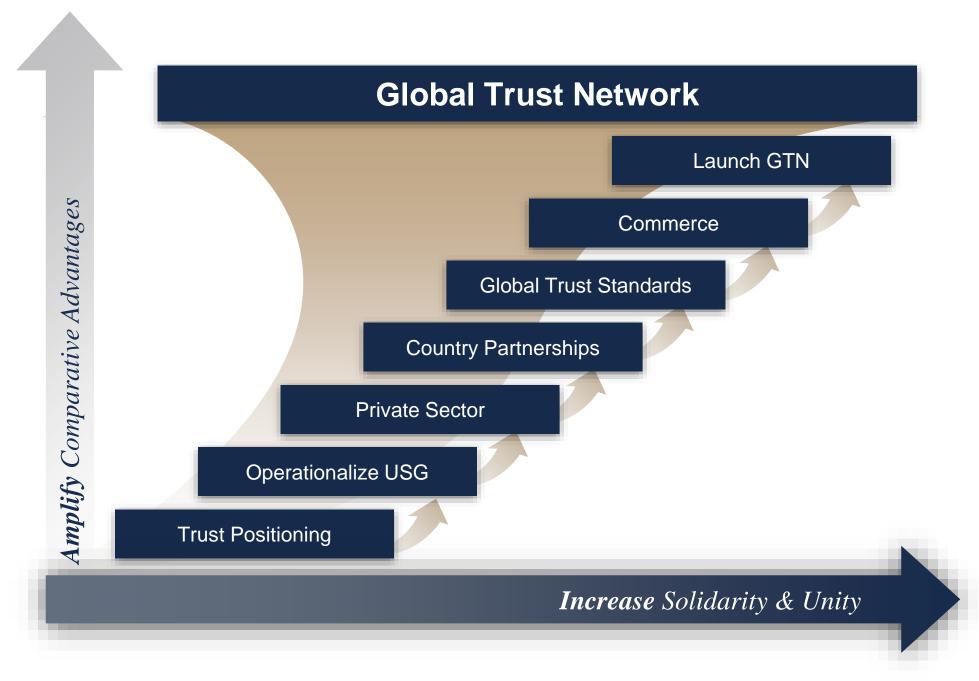


#### GLOBAL ECONOMIC SECURITY STRATEGY

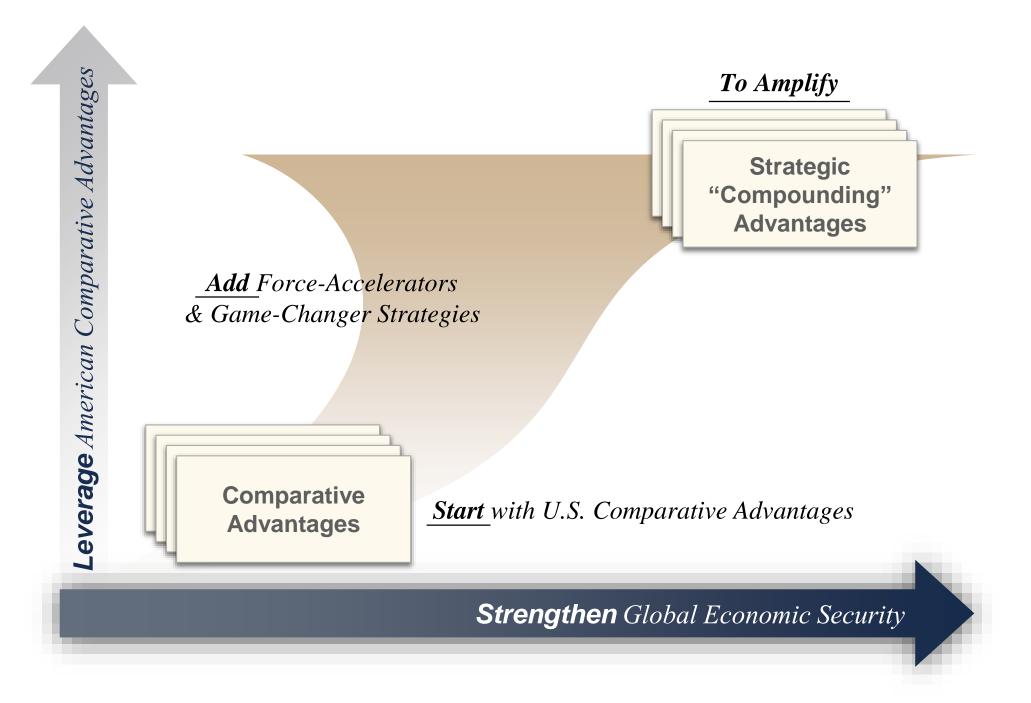
#### **Strategic Imperatives**



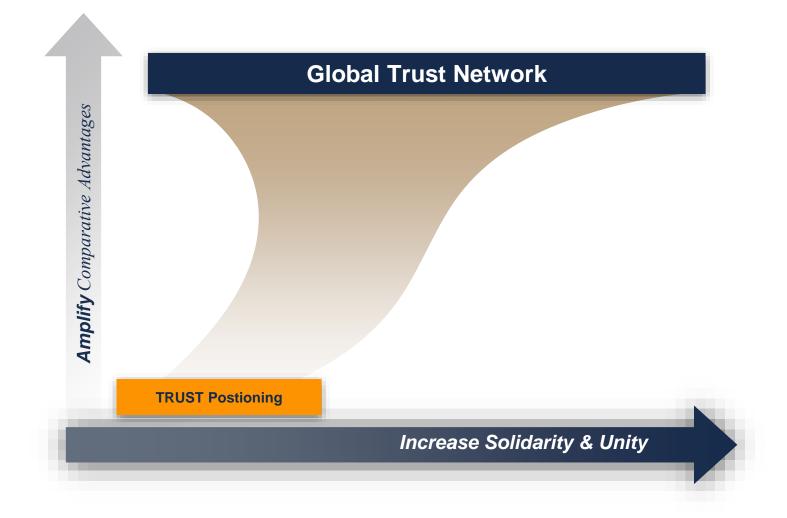
# Leveraged Growth Strategy



#### Force-Accelerators x Comparative Advantages

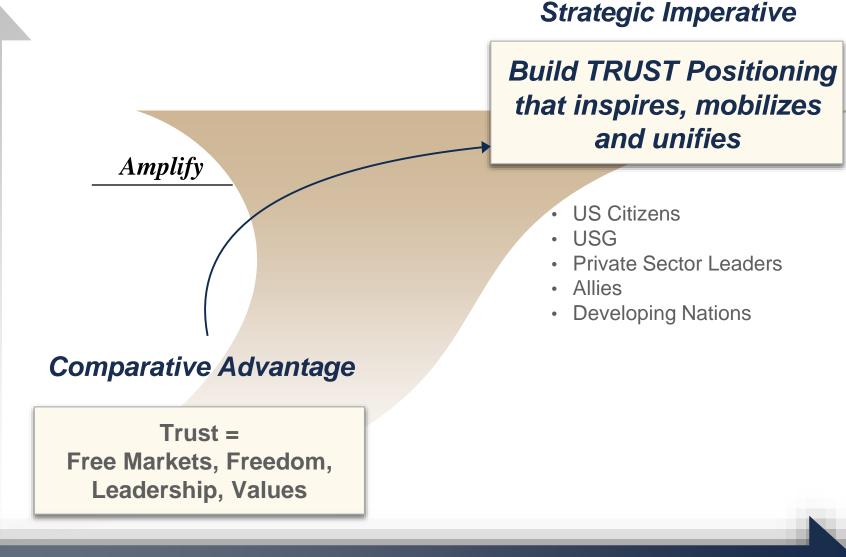


# #1 DEVELOP TRUST POSITIONING Strategic Communication Platform



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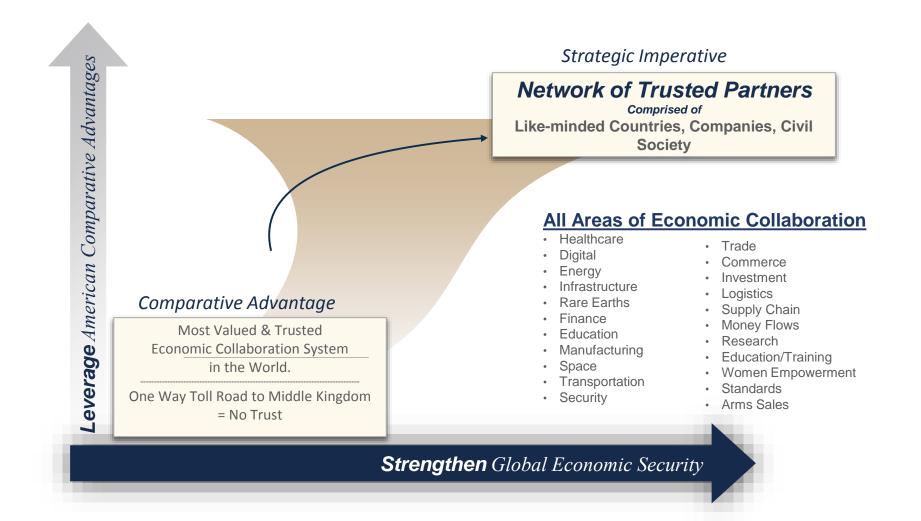
## #1 DEVELOP TRUST POSITIONING



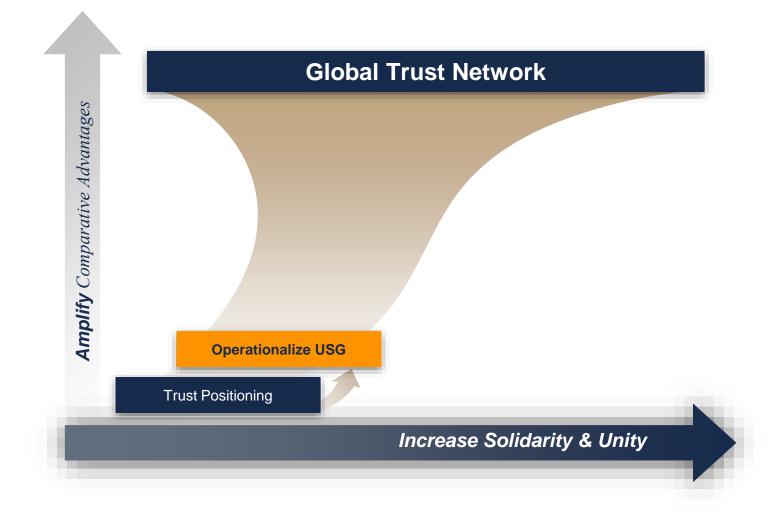
Amplify Comparative Advantages

Increase Solidarity & Unity

### BRAND USA & FREE WORLD AS THE MOST VALUED & TRUSTED ECONOMIC SYSTEM

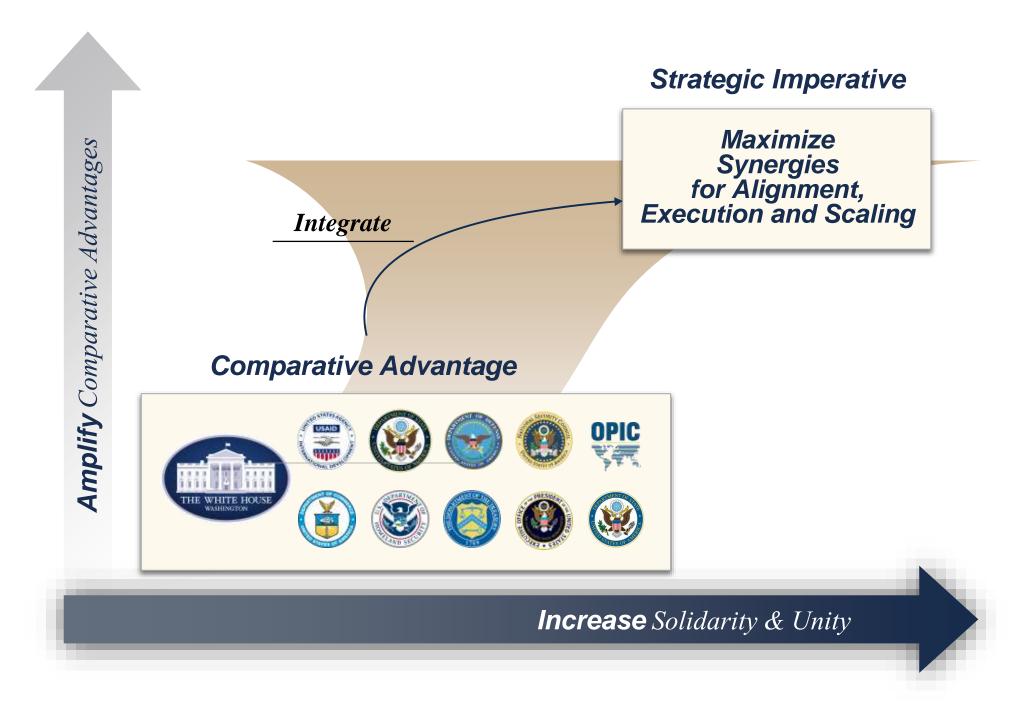


### #2 OPERATIONALIZE USG Existing policies and initiatives to maximize synergy

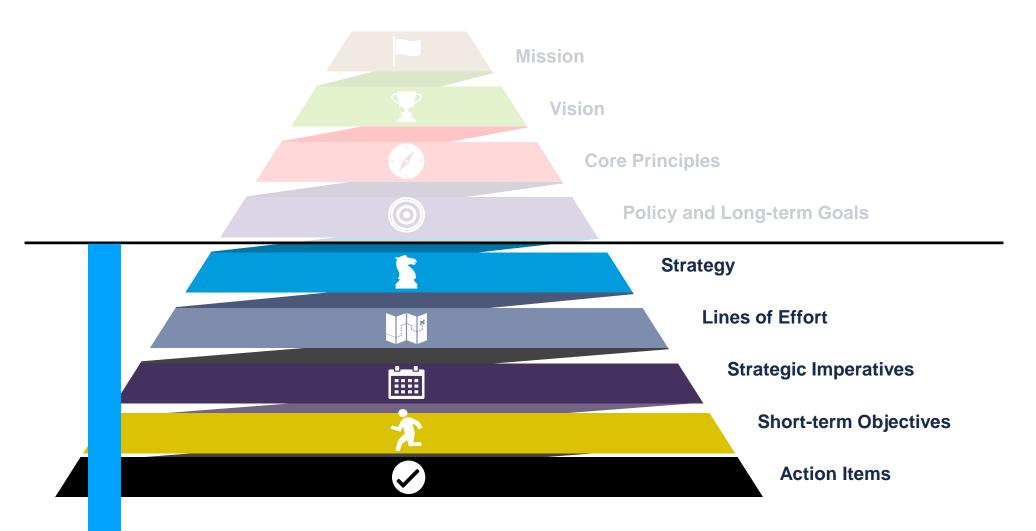


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### #2 Operationalize USG

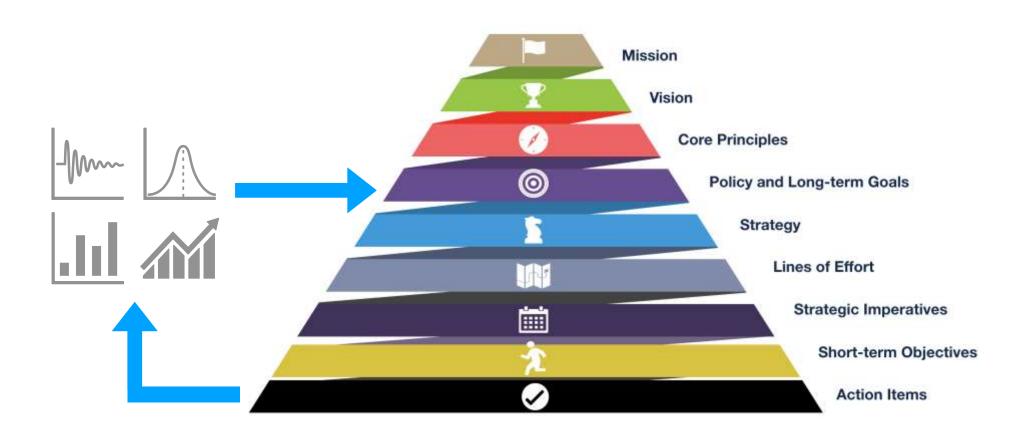


# Gap between policy and execution



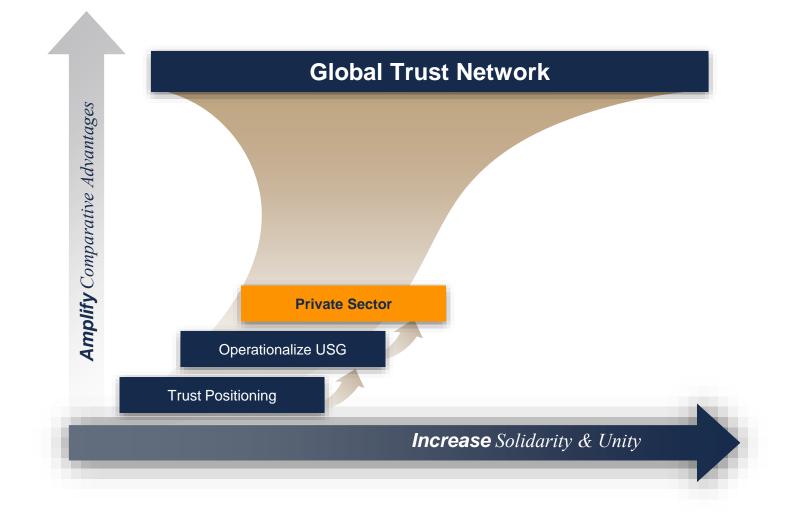
**Execution Mechanism** 

### Measure Results



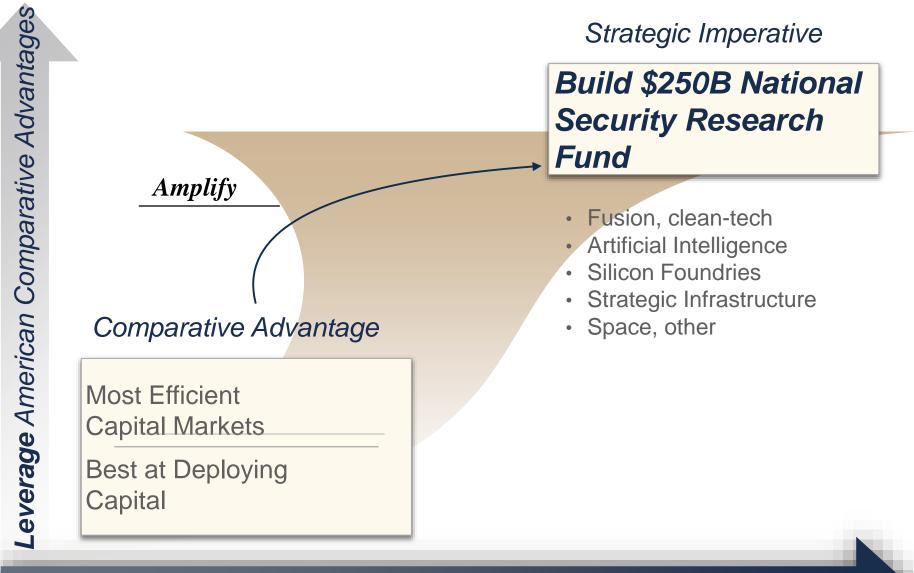


# #3 LEVERAGE PRIVATE SECTOR With private/public initiatives, councils, and fund



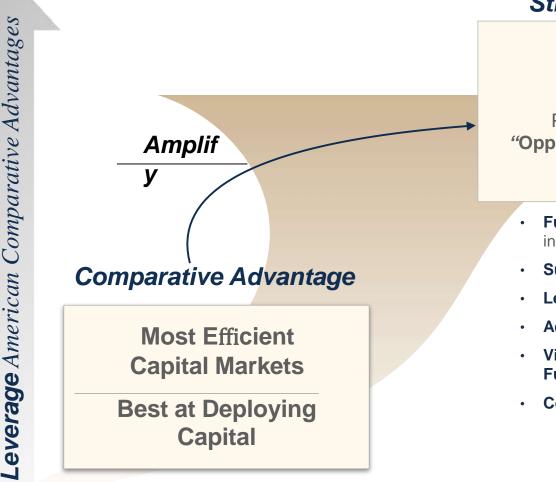
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### **#3**: LAUNCH ENDLESS FRONTIERS NSI FUND



#### Strengthen Global Economic Security

#### #3: LAUNCH Public/Private VISION FUND



Strategic Imperative

#### Build \$1T Fund

Publicly/private funds for **"Opportunity Sectors**" of National Security Interests

- Fund privately, from corporations & individuals
- Support publicly research entities
- Leverage loan guarantees
- Add investment accelerators—
- Vision Fund can also be directed at Fund-to-Funds—
- Consider including close allies

Strengthen Global Economic Security

### **Organization(s) that invest abroad**



# We need a way to invest at home

In ways that are aligned with our NSS and GESS

PILLAR I	PILLAR II	PILLAR III	abroad		
Protect the American People, the Homeland, and the American	Promote American Prosperity	Preserve Peace through Strength	PILLAR IV Advance American Influence		
Way of Life Protect, Promote, Preserve and Advance U.S. Influence via SECURITY STRATEGY					
NATIONAL SECURITY STRATEGY					

To lead

### **Sector targeted investments**

1	2	3	4
5G	<b>Clean Tech</b>	SCSR	Space
5G and Next- Generation Open Wireless Networks	Fusion, Storage, Solar, Wind, Next-Generation Nuclear, Power Management	Technology that promotes Smart Cities and Smart Regions such as more efficient and secure Energy Grids	Technology that promotes the commercialization and security of space

#### NATIONAL SECURITY STRATEGY

#### Sectors, cont.

AG-Technology

5

CRISPR and Agricultural Technology Innovation to improve our food supply

#### Defense Infrastructure

6

Technology & infrastructure investments that support our national defense, such as our transportation systems and ports

#### Silicon Foundries

7

5 Nano-meter and Next Generation Silicon Chip Foundries to lower our reliance on foreign chips

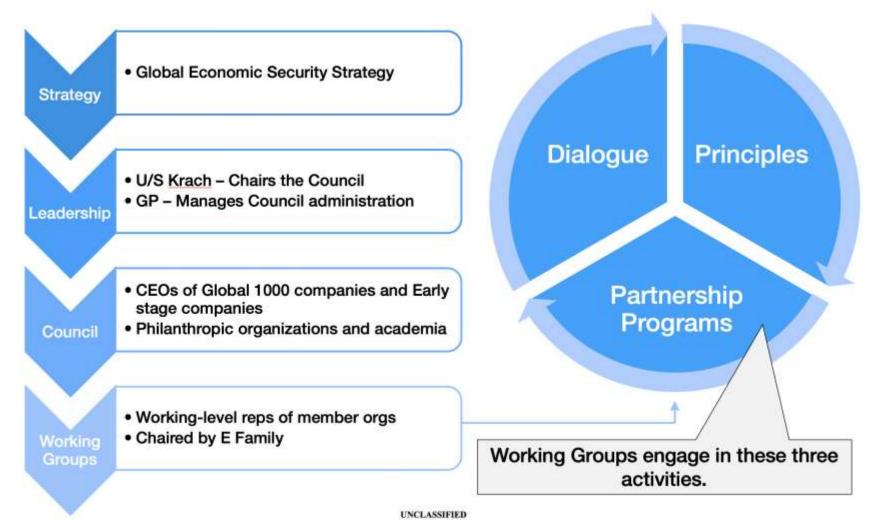
#### Cyber Security

8

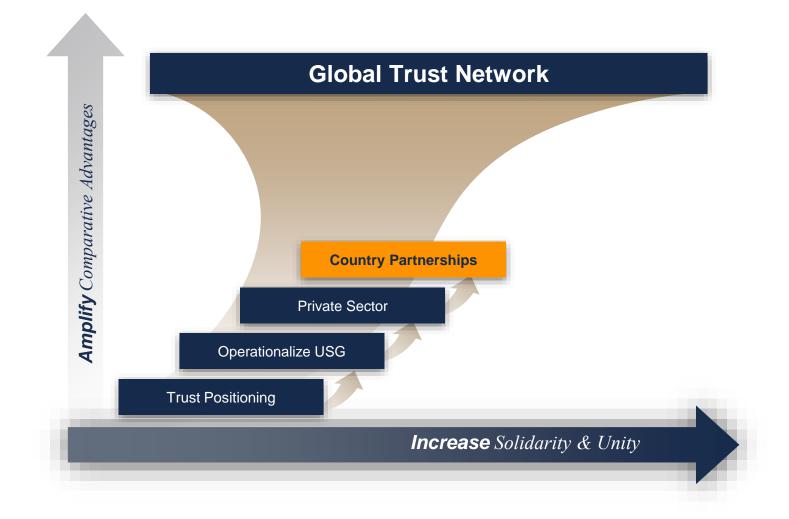
All forms of cyber-security to protect our infrastructure, networks, and systems.

#### NATIONAL SECURITY STRATEGY

#### Executing the Global Economic Security Strategy GESCs convene private sector and stakeholders to deliver on the GESS

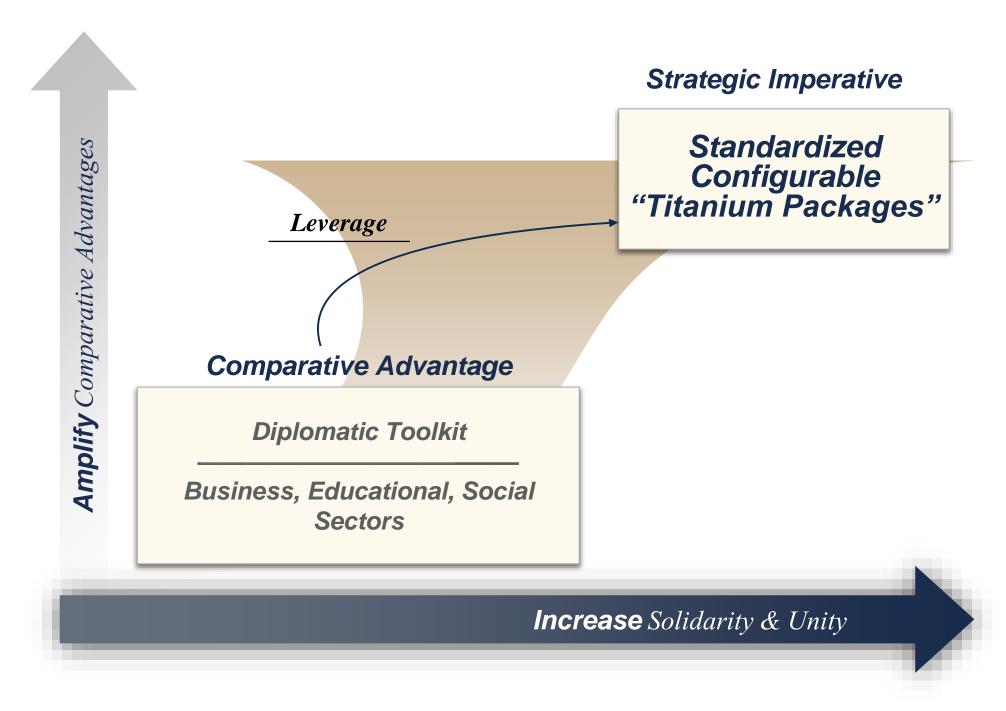


# #4 SCALE COUNTRY PARTNERSHIPS With multi-dimensional economic packages

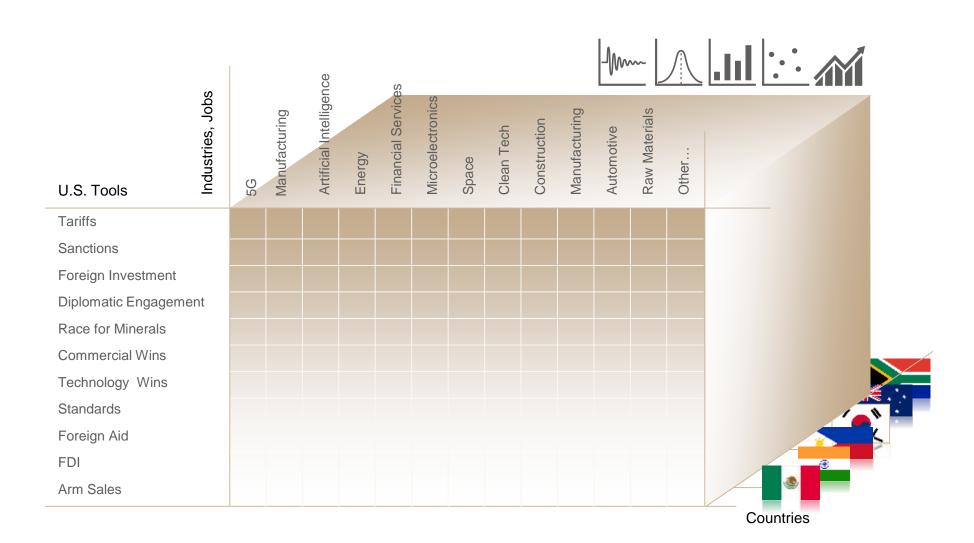


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### #4 Scale Country Partnerships



### Strategic Framework



# The "Titanium Package"

#### USG Toolkit

- ✓ EXIM Bank
- ✓ DFC Financing
- √ MCC
- √ USAID
- ✓ Software Innovation Lab
- ✓ Social Sector Micro Loans
- $\checkmark$  Online Learning
- ✓ Online Education
- ✓ Cybersecurity Training
- ✓ "USMCA Light"
- $\checkmark$  Coordinated Partner Nation Assistance
- ✓ Technical Assistance Teams (5G)
- ✓ Energy Projects
- ✓ Infrastructure Development
- ✓ Public/Private Innovation Fund Access
- ✓ FTA Dialogue
- ✓ Tariff white listing
- ✓ Advocacy
- ✓ Partnership opportunity delegations

#### What We Get

- ✓ Alignment of FDI/Export Control Regimes
- ✓ Security Cost Burden Sharing (2%)
- ✓ Trade Standards Implementation
- ✓ Bi-lateral MOU on Trust
- ✓ U.S./Like-Minded Right of First Refusal on Projects
- $\checkmark$  Exclusion of Chinese ICT
- ✓ Public Endorsement of Trust Standards
- ✓ Innovation Cooperation
- ✓ Supply Chain Diversification
- ✓ Sanctions of Human Rights Violators

#### **USG Enablers**

- ✓ Executive Orders
- ✓ Integrate OSTP
- ✓ Legislative Proposals
- ✓ Integrated Strategy Planning Forum
- ✓ 24/7 Hot Line Support
- ✓ Deal Teams
- ✓ Swat Teams
- ✓ GESS Private/Public Sector Funds

# Package Tiers

#### Titanium

- ✓ EXIM Bank
- ✓ DFC Financing
- √ MCC
- √ USAID
- ✓ Software Innovation Lab
- ✓ Social Sector Micro Loans
- ✓ Online Learning
- ✓ Online Education
- ✓ Cyber-security Training
- ✓ USMCA Light
- ✓ Coordinated Partner Nation Assistance
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- $\checkmark$  Tariff white listing
- ✓ Advocacy
- Partnership opportunity delegations

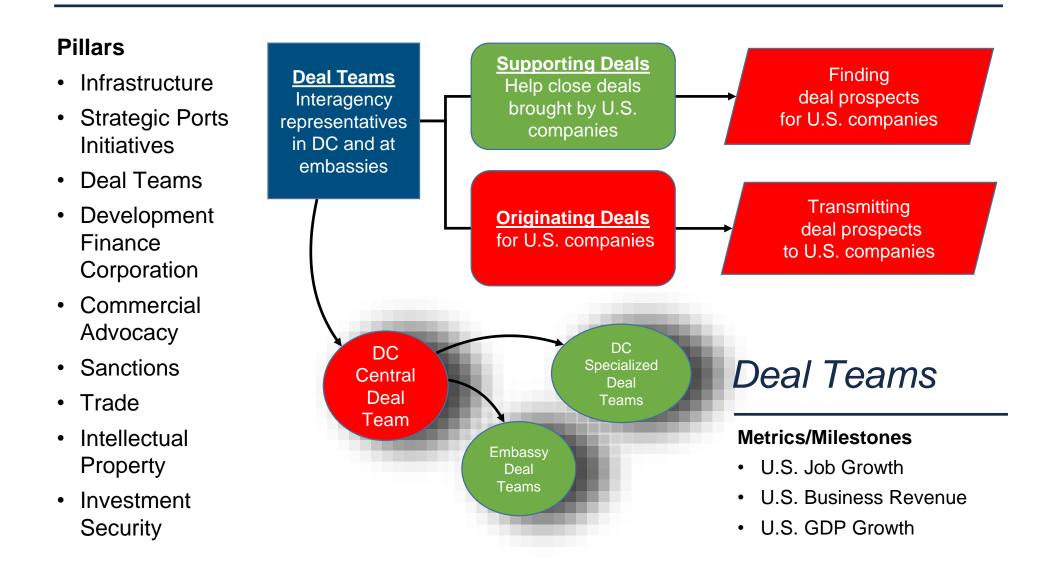
#### Gold

- / EX-M Bank
- ✓ Social Sector Micro Loans
- ✓ Online Learning
- ✓ Online Education
- ✓ Cyber-security Training
- ✓ USMCA Light
- ✓ Coordinated Partner Nation Assistance
- ✓ Technical Assistance Teams (5G)
- ✓ Energy Projects
- ✓ Infrastructure Development
- ✓ Advocacy
- ✓ Partnership opportunity delegations

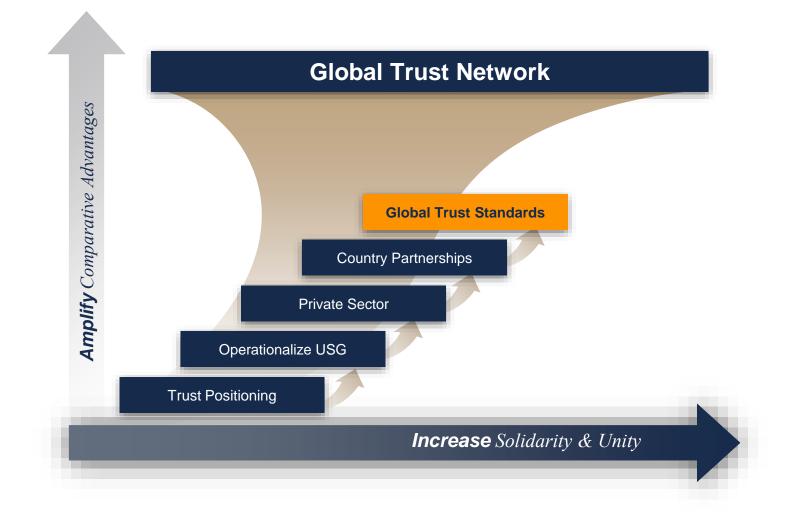
#### Silver

- ✓ Social Sector Micro Loans
- ✓ Online Learning
- ✓ Online Education
- ✓ Cyber-security Training
- ✓ Coordinated Partner Nation Assistance
- ✓ Technical Assistance Teams (5G)
- ✓ Advocacy
- ✓ Partnership opportunity delegations

# Deal Teams and the "Titanium Package"

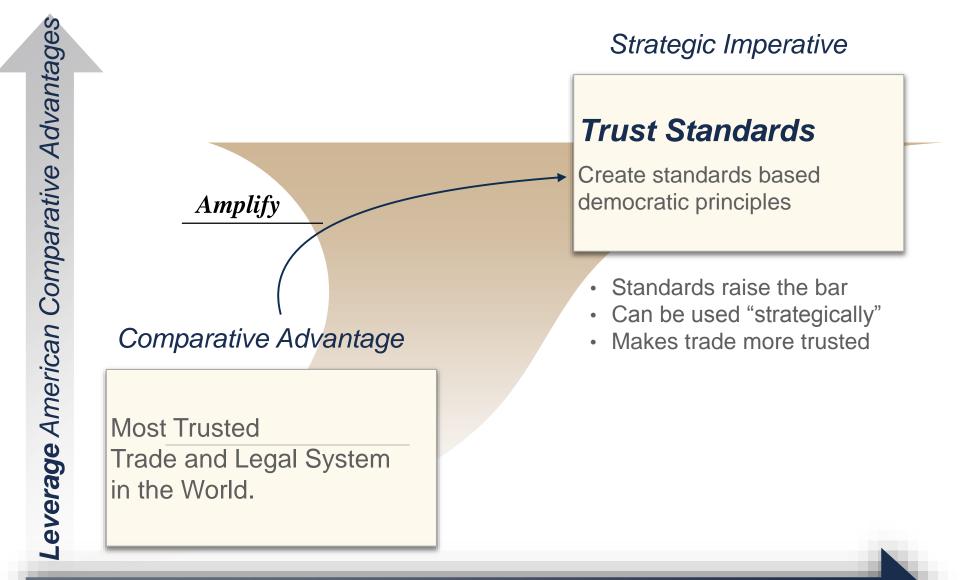


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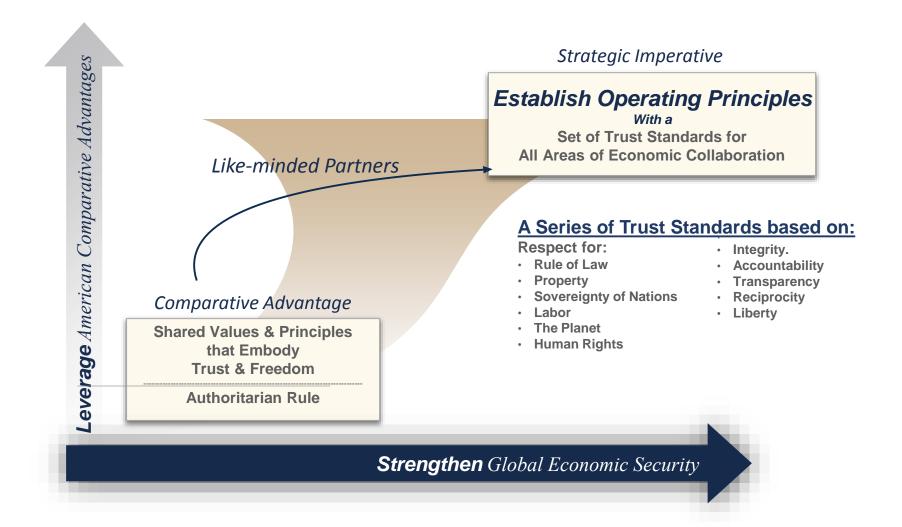
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## **#5** FACILITATE TRUST STANDARDS



Strengthen Global Economic Security

#### TRUST STANDARDS BASED ON SHARED VALUES AND DEMOCRATIC PRINCIPLES



# Raise the bar by elevating the standards

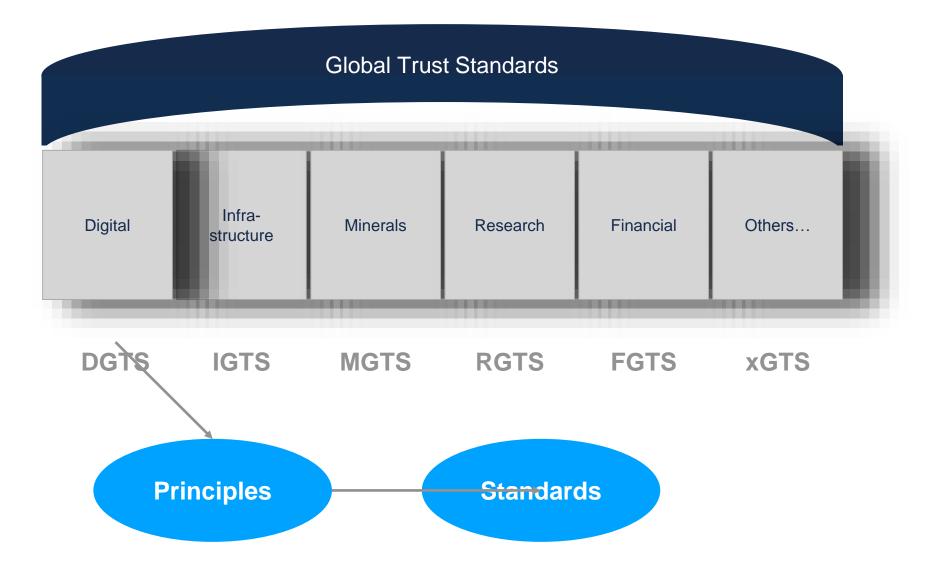


- 1. Builds upon existing principles and standards
- 2. Free world and free market standards
- 3. Private and public sector lead

**Existing Principles & Standards** 

Increase Solidarity & Unity

## **GESS** Umbrella









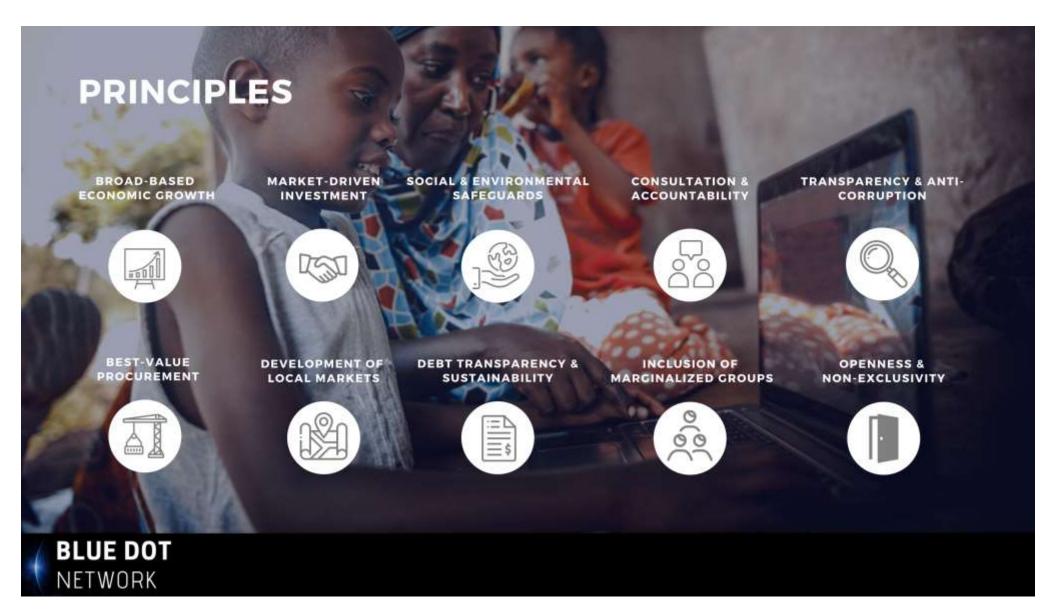
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## Example, DFC



### Economies already seeing the need "Prague Proposals" break new ground on 5G Networks

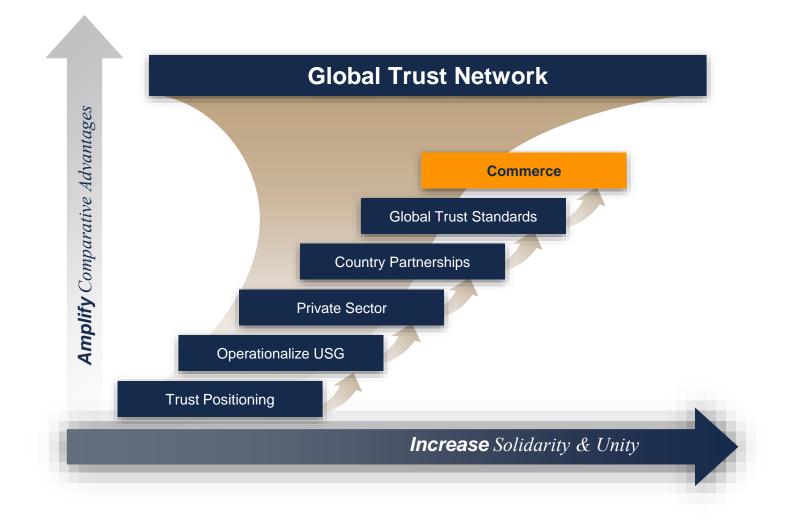


### The xDTM Standard, Version 1.0

Helps organizations leverage the speed, efficiency, and convenience of DTM to conduct all-digital transactions without the risks of non-compliant technologies

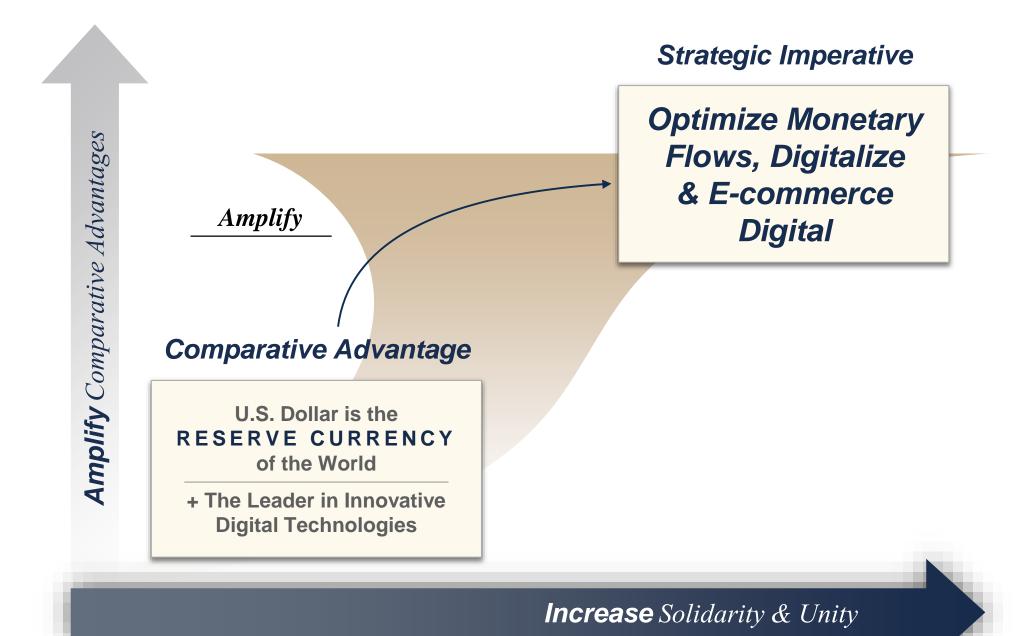


### **#6** ACCELERATE COMMERCE FLOWS

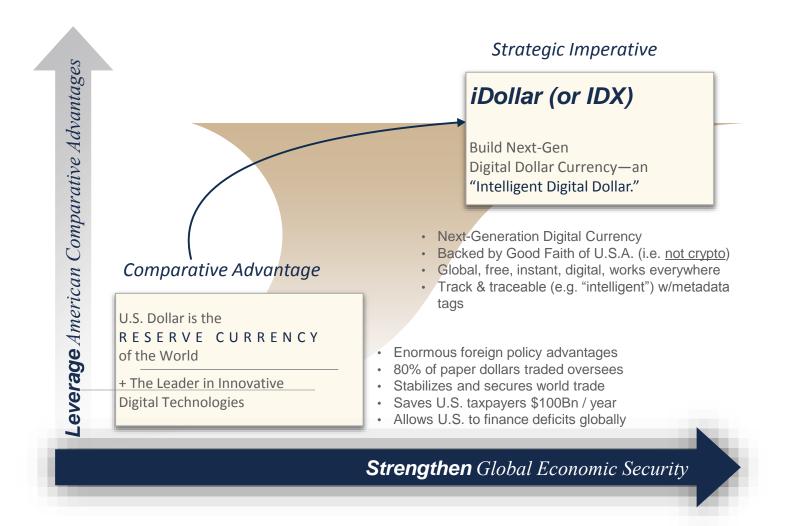


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### **#6** ACCELERATE COMMERCE FLOWS



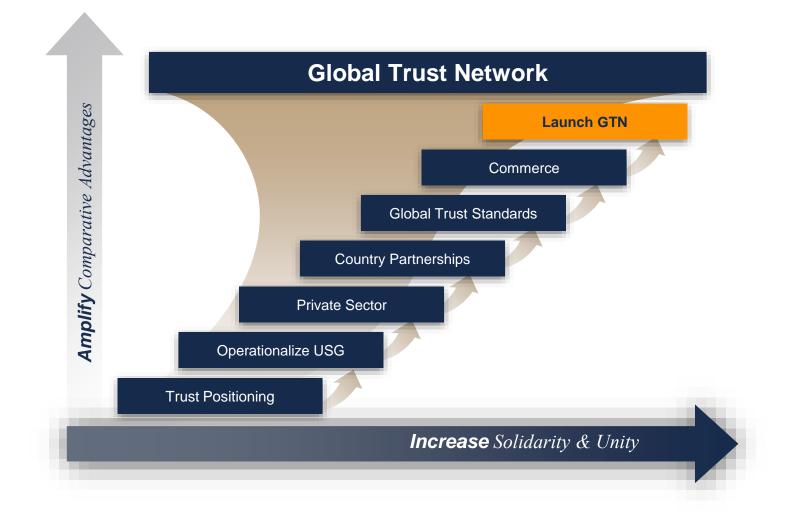
#### BUILD INTELLIGENT DIGITAL DOLLAR



*Objectives* 

- 1. FIX LISTING STANDARDS FOR CHINESE COMPANIES
- 2. RAISE THE STANDARD ON TRANSPARENCY FOR INDEX FUNDS
- 3. CAPITAL MARKET SANCTIONS FOR MALIGN ACTOR COMPANIES
- 4. ENGAGE ECOMMERCE COMPANIES INTELLIGENT DOLLAR
- 5. ONSHORE SUPPLY CHAINS

## #7: Build Global Trust Network



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## **#7: BUILD GLOBAL TRUST NETWORK**



Most Trusted Trade and Legal System in the World.

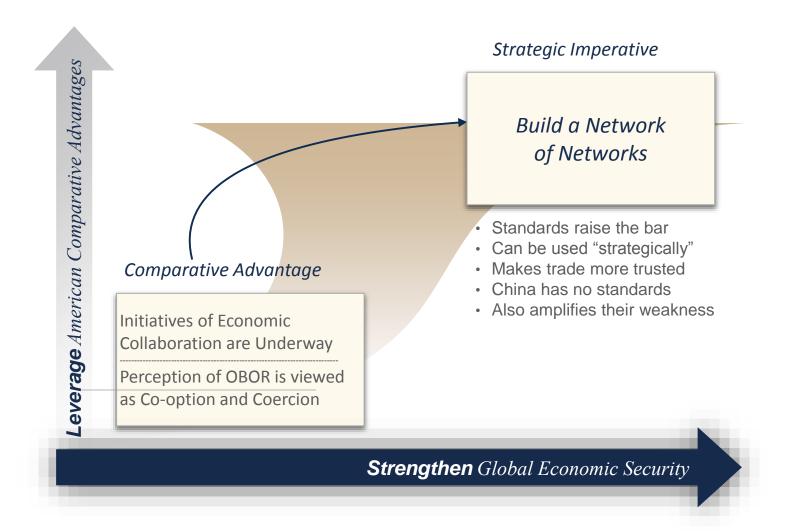
Strategic Imperative

#### **Trust Networks**

Create standards-based trust networks among U.S. enterprises and its allies.

**Increase** Solidarity & Unity

#### BUILD THE GLOBAL TRUST NETWORK FROM A NETWORK OF NETWORKS



### **Global Trust Network**

Establishing foundational operating principles between free and like-minded digital economies

- 1. Maximize the nodes
- 2. Add value to each relationship & node
- 3. Increase digital economy trust, lowering friction

Strengthen Global Economic Security

## The foundations of all economic networks

As the World goes digital, we need new global trust principles

**20th Century** Relationship Economies

- 1. Human rights
- 2. Sustainability
- 3. Environment
- 4. Ethical sourcing
- 5. Defense security
- 6. Conflict materials
- 7. Rule of law
- 8. Democracy

Extend into the Digital World 21st Century

**Digital Economies** 

- 1. Cyber security
- 2. Open source
- 3. Interoperability
- 4. Independence
- 5. Data privacy
- 6. Governance
- 7. Resilience
- 8. Transparency

### **Benefits of Global Trust Network**

- 1. Allows like-minded nations to engage on a new set of operating principles for the modern world
- 2. Strengthen's relationships between partners and allies
- 3. Draws upon prior free-world and free-market agreements and principles
- 4. Establishes boundaries between like-minded free economies and those with combative intent
- 5. Encourages economies to reach for higher standards, dissuades economies from interacting with bad actors
- 6. Promotes economic growth in digital economies

## **Global Trust Network Score**

Country and entities can be scored with score cards

