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Chairwoman Kim, Ranking Member Bera, and Members of the Subcommittee, thank you for inviting me here today to testify on U.S. government efforts to leverage our economic tools to better advance our economic and national security interests in the Indo-Pacific region. I’m especially pleased to be here alongside Principal Deputy Assistant Secretary Moy and Ambassador Murray, whose collaboration in advancing U.S. commercial interests and partnerships in the Indo-Pacific is deeply valued by the Department of Commerce (Department of Commerce).

I would like to thank the Members of this Subcommittee for the important work you do to draw attention to and shape our relationships globally, including with Indo-Pacific countries. This support is essential as we at the International Trade Administration (ITA) work to deepen those relationships through trade and investment ties that create jobs and shared prosperity.

**Importance of the Indo-Pacific to America**

The Indo-Pacific region is vital to U.S. security and prosperity. Indo-Pacific trade supports more than three million U.S. jobs and is the source of over \$1 trillion in U.S.-bound foreign direct investment, according to the U.S. Bureau of Economic Analysis. Currently home to more than one-half of the world’s people and nearly two-thirds of the world’s economy, the Indo-Pacific region is projected to be the largest contributor to global growth over the next 30 years.

Moreover, as the most dynamic and fastest-growing region on Earth, engagement across the Indo-Pacific is a leading U.S. foreign policy priority and essential to our shared security and prosperity. A top priority of the Biden-Harris Administration is to firmly anchor the United States in the Indo-Pacific and to strengthen the region, along with our closest allies and partners. The Department of Commerce plays an important role in implementing the commitments that President Biden has made. This includes new agreements with Indo-Pacific heads of state and through enhanced U.S. diplomatic relations with the Association of Southeast Asian Nations (ASEAN), with Indonesia and with Vietnam. As we deploy all our tools to ensure that American business remains the partner of choice, we know that our strengthened commercial relationships

in this region promote inclusive economic growth, resistance to economic coercion, and greater strategic autonomy across the region.

### **Advancing U.S. Commercial Interests through Bilateral Engagements**

The Department is proud to play a key role in the Administration's Indo-Pacific Strategy, which was launched in 2022, and envisions an Indo-Pacific that is open, connected, prosperous, resilient, and secure. To achieve these goals in the region, ITA is working with likeminded allies and partners through both multilateral efforts and Ministerial-level bilateral commercial engagement in the region, including cooperating on supply chains, advancing digital trade and U.S. emerging technologies, and promoting regulatory interoperability to avoid fractured standards that create needless barriers across borders. ITA is embracing an affirmative agenda that seeks to protect U.S. interests and values, champion U.S. workers and businesses in markets worldwide, attract foreign investment, and bring high-paying jobs to communities across America while maintaining the United States as a global leader in sectors ranging from artificial intelligence (AI) and quantum computing to semiconductors and electric vehicle (EV) technologies.

With its proven success in trade promotion and commercial diplomacy over the last 40 years, ITA is uniquely positioned to be one of the U.S. government's most effective bureaus in helping U.S. companies compete and win in the Indo-Pacific and the global economy writ large. Specifically, ITA's Global Markets unit, where I serve as Deputy Assistant Secretary for Asia, assists and advocates for U.S. businesses in international markets and helps foreign companies invest in the United States. Our U.S. and Foreign Commercial Service, through its 106 domestic offices in cities and rural communities across the United States, is comprised of trade experts who provide American companies with global market intelligence, and export counseling, programs, and services that strengthen their global competitiveness. Overseas, we have a staff of foreign commercial service officers, local commercial specialists, and inbound investment promotion experts strategically located at 124 U.S. Embassies and Consulates in 78 countries, including 36 in the Indo-Pacific region. These colleagues conduct commercial diplomacy and implement programs to help American companies gain market access and win export opportunities, as well as assist foreign companies investing in and creating jobs across the United States.

Over the last five years alone, ITA has assisted over 18,000 clients and facilitated an estimated \$183.5 billion dollars in U.S. exports to countries in the Indo-Pacific, supporting nearly 812,000 American jobs. These results include over \$36.6 billion dollars in contracts with governments in the region won by U.S. companies with the support of ITA's Advocacy Center. Our service delivery has stood resilient, especially due to the growing interest among U.S. exporters in Indo-Pacific markets. Even through the pandemic, we increased our total number of clients assisted, from 2,259 in 2019 to 2,433 in 2020 and to 2,966 in 2023.

To provide just one example of our commercial assistance, ITA and our SelectUSA program supported Aleees, a Taiwan-based lithium-iron phosphate (LFP) battery material manufacturer, in connecting with a global partner to establish their market, manufacturing, and supply chain in the United States. Through participation in the SelectUSA Investment Summit, Aleees was able

to develop a partnership with ICL Group, a manufacturing company. ICL and Aleees's partnership resulted in an agreement to construct a \$400 million LFP cathode active material (CAM) manufacturing plant, which broke ground last year in St. Louis, Missouri. When it becomes operational as planned in 2025, this facility is expected to be the first large-scale LFP material project in the United States, with the goal of producing high-quality LFP material for the global lithium battery industry, using a primarily domestic supply chain. The facility is projected to have significant benefits for the local community through its support of more than 150 high-paying union and professional jobs. I am happy to discuss further examples with the Subcommittee.

Our day-to-day commercial diplomacy efforts in the region are bolstered by engagement from senior officials in the Department, demonstrating the Administration's commitment to the region. Secretary of Commerce Gina Raimondo continues to advance U.S. efforts to deepen our commercial ties with the region through high-level meetings with counterparts in a number of countries, including Australia, India, Japan, the Philippines, Singapore, the Republic of Korea, and Thailand. Just last week, I joined Secretary Raimondo as she led a group of American executives on a Presidential Trade and Investment Mission to the Philippines. The trip strengthened our commercial ties and business-to-business relationships, in addition to showcasing how U.S. industry can contribute to the Philippines' innovation economy, connective infrastructure, clean energy transition, critical minerals sector, and food security. Secretary Raimondo also led members of the President's Export Council (PEC) to Bangkok, Thailand to identify opportunities for the United States and Thailand to strengthen economic relationships across critical issues, including manufacturing, supply chain resiliency, artificial intelligence, and clean technology.

### **Strengthening Economic Cooperation through Multilateral Engagements**

Moreover, we are continuing to invest in our longstanding relationships in the region. Last year, the United States served as Asia-Pacific Economic Cooperation (APEC) host. During the APEC Leaders' Meeting in San Francisco, we affirmed our shared commitment to working together to keep markets open, address supply chain disruptions, and ensure our trade and investment benefits all our people and economies. During this convening, we also welcomed progress on the Indo-Pacific Economic Framework for Prosperity (IPEF).

As the economic cornerstone of the Administration's Indo-Pacific Strategy, IPEF is a platform for the United States to strengthen its economic engagement and leadership in the region while advancing an enduring, affirmative economic agenda for long-term cooperation with a group of thirteen like-minded partners -- Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, the Republic of Korea, Singapore, Thailand, and Vietnam. Within the four pillars under IPEF, Commerce has led the negotiations on the pillars related to supply chains, the clean economy, and the fair economy (tax administration and anti-corruption), while the Office of the United States Trade Representative has led the negotiations on the trade pillar.

Our IPEF partners have welcomed the U.S. engagement, and all fourteen partners participated in the negotiations for the Commerce-led pillars. Last May, the partners announced the substantial conclusion of negotiations for the Supply Chain Agreement, which was then signed at the IPEF

Ministerial on the margins of the APEC Leaders' Meeting in November. The Supply Chain Agreement entered into force in late February, and now IPEF partners are identifying their representatives to the Supply Chain Council, the Crisis Response Network, and the Labor Rights Advisory Board established under the agreement, and are also identifying discrete supply chains of interest to each partner for further collaboration. On the heels of a once-in-a-lifetime global pandemic, international cooperation and data analyses of our global supply chains are more important than ever and provided a real sense of urgency for all IPEF partners.

Further, IPEF partners also announced the substantial conclusion of negotiations for the Clean Economy Agreement and the Fair Economy Agreement on the margins of the APEC Economic Leaders' Meeting in November, and we anticipate signing these agreements in the coming months. In addition to the three pillar agreements, partners also developed a proposed overarching Agreement to ensure stability and durability for IPEF by establishing a Ministerial-level IPEF Council to provide oversight to the agreements. These outcomes send a clear message that IPEF partners are committed to making our economies the best destinations for trade and investment in the region through upholding transparency, predictability, and the rule of law.

### **Resources to Bolster Engagement in the Indo-Pacific Region**

Proud as we are of the work that we have done and have planned, additional resources are needed to take full advantage of increased engagements under the Indo-Pacific Strategy and to grow commercial ties and deepen bilateral government engagement to meet the U.S. economic and national security needs of the future. Overall, Global Markets boasts an impressive return on investment for taxpayer dollars – for every dollar Congress appropriated in FY 2023, \$402 was returned to the U.S. economy.

Acknowledging the importance of ITA's role, the President's Budget for Fiscal Year 2025 requests \$645.5 million for ITA - an increase of \$34.5 million over our recently-enacted 2024 appropriations - and requests \$379.2 million for Global Markets, specifically, to increase U.S. export competitiveness and counter unfair trade practices and economic coercion by malign actors at a time when we must show up, and show up often, if we are to help U.S. businesses compete in markets around the world. The Budget also requests an additional \$4 million to open one new international office, as well as increase international staffing in existing strategic locations where our adversaries and competitors seek to gain market share and set new global standards. \_

I would be remiss if I did not also underscore that the drive and commitment of our team to this mission can only carry the day so long against a competitor like the People's Republic of China (PRC), whose trade officers outnumber us 3-to-1, in 223 offices in 171 countries, according to our latest internal analysis. The additional resources requested in the President's Budget are imperative to ITA's ability to counter the PRC in this regard and keep up with the demand from U.S. exporters for our services -- which far exceeds the current capability of ITA's U.S. and Foreign Commercial Service.

## **Closing**

Our Indo-Pacific partners have a critical role to play in solving some of the most complex economic and commercial challenges of the 21st century: ensuring greater supply chain resilience, including for semiconductors; promoting and protecting critical and emerging technologies and U.S. leadership in innovation; laying the groundwork for a successful clean energy transition; and ensuring that the digital transformation that we are seeing all over the world is harnessed to the benefit of our economies, societies, and workers.

I am proud of the work and dedication of my colleagues in ITA, from our Commercial Service teams in towns and cities across the United States and in the Indo-Pacific region, to our DC-based regional, industry, and policy experts. I look forward to working with this Subcommittee to continue refining, optimizing, and expanding our delivery of the powerful tools for commercial diplomacy, advocacy, and export promotion that we know can be the difference between success and failure for U.S. companies competing in markets in the Indo-Pacific region.

Thank you, Madam Chair and Members of the Subcommittee, for the opportunity to speak to you today. I would be pleased to answer any questions or provide examples of our successes in the Indo-Pacific region.