

NAVIGATING A RESET OF THE GLOBAL ECONOMIC ORDER

Economic Statecraft Summit 2025

Context

On October 23-24, 2025, the Potomac Institute for Policy Studies, in partnership with Texas A&M University's Bush School of Government and Public Service, hosted the Fifth Annual Summit on Economic Statecraft in Washington, DC. The Summit focused on identifying and understanding the major evolutionary issues associated with Economic Statecraft (ES) over the last 18 months and looking ahead.

Problem Statement and Core Questions

Economic statecraft has become a defining feature of the global order, driven by the convergence of economic and security concerns, intensifying U.S.–China competition, and a resurgence of industrial policy activism.

1. WHAT does the future of global commerce and security look like?
2. HOW might public and private actors navigate the new dynamics together?

7 Critical Themes Characterizing Economic Statecraft

Discourse among policy leaders, industry executives, and academic experts underscored the following themes

Zero-Sum Competition	New Policy Tools	Industry as Frontline Actor	Need for Clear Signals	DoD's Evolving Role	Strained Foreign Relations	Intelligence Fusion Required
The U.S. is in an economic war with China. Both nations are actively de-risking economic and security vulnerabilities, resulting in sharpening zero-sum competition.	U.S. objectives are guided by the pursuit of reindustrialization and novel uses of existing tools like tariffs and export controls.	Industry is recognizing its frontline role in geoeconomics and as a critical actor in the success or failure of U.S. economic statecraft.	The private sector requires clear U.S. government signals to effectively guide business risk assessments and investment decisions.	The DoD has become the “agency of choice” to execute the emergent vision of economic statecraft, raising concerns about whether the department is appropriately equipped.	Allies and partners continue to struggle with a vacillating U.S. approach to economic statecraft, impacting efforts to contribute to supply chain resiliency.	Economic statecraft faces intelligence and counterintelligence challenges; a new public-private arrangement is needed to fuse and share actionable intelligence.



Accelerating Policy
(703) 525-0770
potomacinstitute.org



The Potomac Institute for Policy Studies is a nonpartisan, data-driven S&T policy research institute at the intersection of business and government helping to ensure US leadership in innovation, security and prosperity.

Key Implementation Challenges

Post-Summit analysis identified four primary challenges:

Immature Industrial Policy

Elements of contemporary industrial policy are still developing and must mature in concert with tenets of economic statecraft to be effectively wielded.

Supply vs. Demand

Effective economic statecraft must incorporate holistic market demand, not just seek increases to supply-side production for defense and military needs.

Mobilization Barriers

Success stories from the Defense Industrial Base highlight potential for paradigm shift but also significant barriers to broad mobilization for economic statecraft capacity.

Political Nature

Economic statecraft decisions are inherently political. Defining which economic challenges "qualify" as a matter of national security requires clear, non-partisan definition.

Summit Recommendations for Immediate Consideration by Key Actors

Congress

Coordination: Authorize and fund a cabinet-level entity with interagency authority to coordinate U.S. economic statecraft across government, industry, and allies, supported by resources, talent, and training.

Oversight: Set deliberate oversight triggers to drive maturation of economic statecraft practice, policy, and law.

Pathway: Establish a clear legislative and oversight pathway for economic statecraft policy through a dedicated committee or coordinating body.

Industry

Policy Intelligence: Develop internal or shared "policy intelligence" capabilities to continuously track and interpret regulatory and trade developments to engage more productively with the USG on economic statecraft.

Policy Networks: Create and lead industry-specific policy networks or working groups to distill and translate government economic statecraft activity into actionable strategic insights.

Board Integration: Integrate economic statecraft considerations into board-level and investment committee discussions and decisions.

Executive Branch

Communication: Establish a centralized, plain-language portal to communicate economic statecraft policies to industry, harmonized with interagency messaging and industry output.

Recourse: Establish a single entity for the private sector to report, seek redress for, and provide feedback on unintended consequences of trade, financial, or regulatory measures.

Joint Analysis: Establish a joint analytic enterprise—bringing together the U.S. Trade Representative (USTR), the intelligence community (IC), and the Departments of Treasury, Commerce, State, and Defense, Homeland Security, and Energy—to centralize economic data and deliver integrated analysis and actionable recommendations to policymakers.

Convening Authority: Establish a cabinet-level council as the convening authority on all economic statecraft related activities for the executive branch, bringing together USTR, the IC, and other key departments, with authority to direct actions aligned with National Security Strategy objectives.

Academic, Think Tank, and Professional Communities

Development: Invest in developing economic statecraft as a coherent, multidisciplinary field, building its intellectual foundation while preparing the next generation of security and business professionals.