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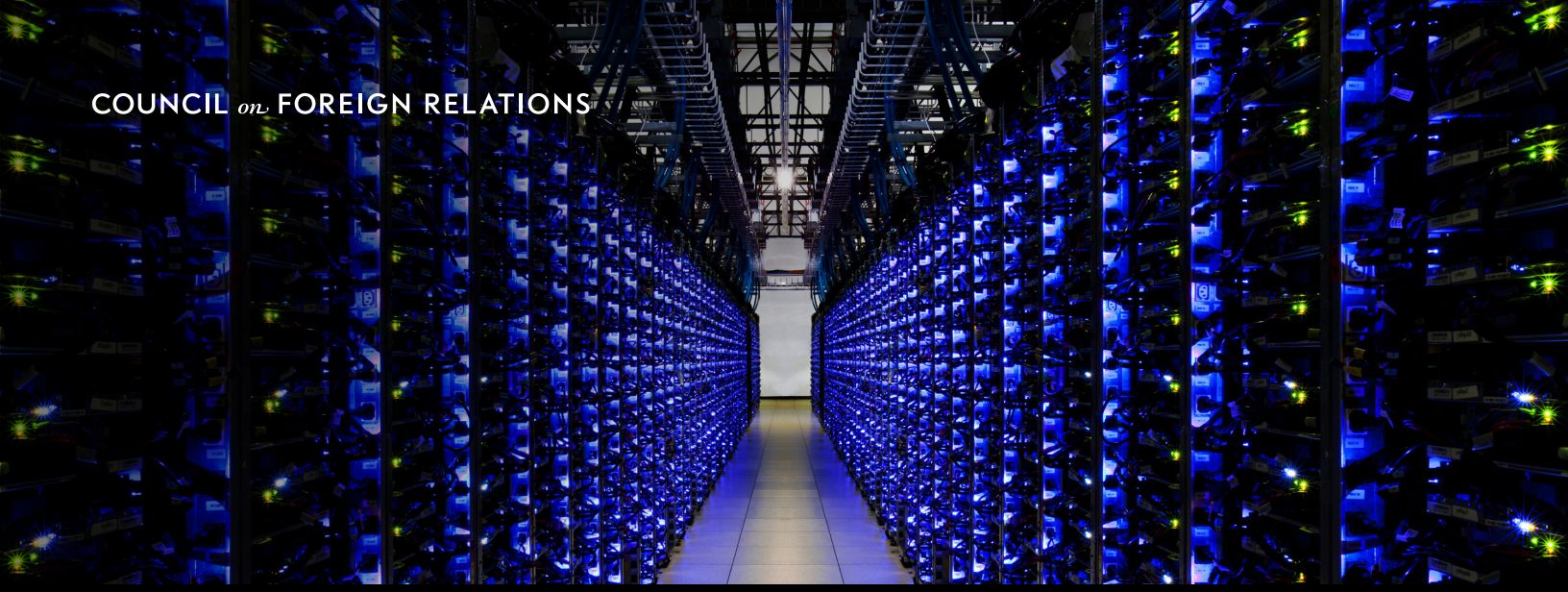

TASK FORCE REPORT NO. 83

U.S. ECONOMIC SECURITY

Winning the Race for Tomorrow's Technologies

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Strategic competition over the world's next generation of foundational technologies is underway, and U.S. advantages in artificial intelligence (AI), quantum, and biotechnology are increasingly contested. Economic security tools can help the United States win this competition and address several pressing risks, especially overconcentration of critical supply chains in countries of concern and underinvestment in strategically important areas. The bipartisan Task Force Report provides a comprehensive view of the vulnerabilities that the United States should address and offers practical recommendations for strengthening trust in supply chains and mobilizing the investment needed to prevail in these three crucial sectors of the future.

Challenges to U.S. technological leadership include the following:

- **China:** The Chinese government is spending heavily on AI, quantum, and biotech ($900 billion over last decade); making rapid advances in AI model performance, quantum communications, and biotech innovation; working to indigenize tech and dominate key sectors; and willing to weaponize chokepoints.
- **Investment:** Private capital avoids quantum and biotech due to long time horizons, lack of commercial demand, and scaling challenges; early financing for U.S. biotech start-ups dropped 65 percent in first half of 2025; and China is spending twice as much as the United States on quantum.
- **Supply Chains:** The United States is dependent on China for rare earths (70 percent overall, 99 percent for heavy rare earths), data center and chip components (30 percent of printed circuit boards, 60 to 80 percent of chemicals), biotech inputs and drug development (80 percent of key starting materials, 33 percent of global active pharmaceutical ingredient capacity, 80 percent of U.S. biotech companies have at least one Chinese contract), and single suppliers for quantum equipment (laser diodes, mirrors, amplifiers).
- **Controls:** Effective enforcement and monitoring of U.S. controls on foundational technologies requires tailored and efficient government capacity, technical expertise, and close partnership with the private sector.

ABOUT THE TASK FORCE

The Council on Foreign Relations (CFR) convenes bipartisan Task Forces to assess issues of current and critical importance to U.S. foreign policy. Diverse in background and perspectives, Task Force members aim to reach a meaningful consensus on policy through private deliberations and are responsible for the content of their report. Task Force members are asked to join a consensus signifying that they endorse "the general policy thrust and judgments reached by the group, though not necessarily every finding and recommendation." Members' affiliations are listed for identification purposes only and do not imply institutional endorsement.

The Task Force on Economic Security is part of RealEcon: Reimagining American Economic Leadership, a CFR initiative of the Maurice R. Greenberg Center for Geoeconomic Studies.

Read the Full Report:
cfr.org/task-force-report/us-economic-security

The following recommendations would advance American leadership in key technologies and reduce the leverage that other countries, especially China, could exploit during a conflict if tensions were to escalate:

- Build on the Trump administration's AI Action Plan by onshoring the manufacturing of critical inputs and components for semiconductors, including chemicals, printed circuit boards, and integrated circuit substrates.
- Accelerate development of the world's first utility-scale quantum computer through Department of Defense procurement, stimulating the U.S. private sector to meet the department's need.
- Establish a national network of advanced biomanufacturing hubs with private sector co-investment and fund U.S. companies to build six-month stockpiles of key starting materials and active pharmaceutical ingredients from trusted markets.
- Secure critical minerals by expanding the National Defense Stockpile, accelerating permitting, and working with partners and allies to map sources and to pioneer recovery and substitution technologies.
- Build on the Trump administration's America's Talent Strategy, including by supporting the machinists, electricians, and other trades workers who are essential for leading in key technologies.
- Establish an Economic Security Center at the Department of Commerce that strengthens government coordination, technical expertise, and partnership with the private sector.

These targeted government actions and others detailed in the Task Force Report are intended to unleash the U.S. innovation ecosystem, allowing the private sector to scale and diffuse technology globally and responsibly. Given the rapid pace of technological change, the recommended institutional improvements would also position the United States to better respond to future changes and technologies that have yet to emerge. Looking beyond today's immediate challenges, the Task Force Report concludes by offering principles to help U.S. policymakers decide whether and how to intervene in markets in the name of national security.

TASK FORCE MEMBERS