

# Preserving the Battlefield Gap in the Area of Technology – Between Export Control and Outbound Investment Screening

*by Simon Shargi-Erdmosa*



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|  |   |
|--|---|
| A. Introduction.....                                   | 3 |
| B. Key Takeaways from the Panel .....                  | 4 |
| I. Geopolitical Context and Motivations .....          | 4 |
| II. Importance of Public-Private Collaboration .....   | 4 |
| III. Navigating Diverse Interests Across Sectors ..... | 4 |
| IV. Lessons from Historical Precedents.....            | 5 |
| V. Enhancing Transatlantic Cooperation .....           | 5 |
| VI. Future Directions and Evolving Policy Needs .....  | 5 |
| C. Conclusion .....                                    | 5 |

## A. Introduction

As geopolitical tensions intensify and technological advancements accelerate, export controls and investment screening policies are undergoing significant transformation. During the CFIS 24 Paris Conference, a panel discussion titled "*Preserving the Battlefield Gap: Between Export Control and Outbound Investment Screening*" brought together a diverse group of experts. Held under Chatham House Rules to encourage open and candid dialogue, the panel explored these evolving challenges. This non-paper captures the key insights from the discussion, focusing on the motivations,



challenges, and opportunities for collaboration in navigating export controls and investment screening within a complex global landscape.

## **B. Key Takeaways from the Panel**

### **I. Geopolitical Context and Motivations**

The audience highlighted that tightening export controls and investment screening policies are deeply tied to national security imperatives, particularly in safeguarding sensitive and dual-use technologies. As nations reassess vulnerabilities and geopolitical threats, the policies are increasingly viewed as part of broader strategic frameworks rather than isolated defensive measures. These instruments, according to audience, are tools for exerting geopolitical influence, protecting critical infrastructure, and preserving technological advantages in an era marked by competition over advanced industries. Striking a balance between national security needs and economic prosperity emerged as a persistent challenge, especially when seeking to promote innovation in a globally interconnected economy.

### **II. Importance of Public-Private Collaboration**

Collaboration between the public and private sectors was repeatedly underscored as a cornerstone for effective policy formulation. The dynamic nature of technological advancements requires a dialogue where governments remain attuned to industry insights, and companies align their compliance efforts with national security objectives. Several participants emphasized that the private sector's agility and understanding of market trends can significantly inform regulatory frameworks, reducing friction and minimizing unintended barriers to innovation. Clear, ongoing communication channels were identified as essential for fostering trust, aligning goals, and creating regulations that are both protective and adaptable.

### **III. Navigating Diverse Interests Across Sectors**

The discussion shed light on the challenge of addressing diverse interests within the private sector, particularly in rapidly evolving fields like artificial intelligence (AI), quantum computing, and biotechnology. The audience acknowledged that these industries, characterized by swift innovation and significant commercial potential, have a broad array of stakeholders with sometimes conflicting priorities. The challenge is to design policies that not only mitigate risks but also create a fair playing field, encouraging investment without stifling competition. Ensuring that all voices—from startups to multinational corporations—are represented in the policy-making process was deemed essential for generating well-rounded, effective outcomes.



#### **IV. Lessons from Historical Precedents**

Several experts referenced historical instances where unilateral export controls led to unintended economic and diplomatic consequences, particularly when coordination with allies was absent. These examples highlighted the potential risks of fragmented approaches and the value of harmonized policies that avoid market disruptions. The discussion stressed that learning from past missteps—such as supply chain vulnerabilities exacerbated by sudden policy shifts—is critical. A coordinated, multilateral strategy was seen as not only beneficial for national economies but also essential for maintaining strategic stability on a global scale.

#### **V. Enhancing Transatlantic Cooperation**

A significant portion of the discussion centered on the importance of deepening cooperation between the United States and the European Union. As key players in global trade and technological innovation, their alignment on investment screening mechanisms and export control policies can shape international norms and practices. The audience proposed several guiding principles, such as preserving openness to foreign investment, jointly identifying and managing security risks, and promoting transparent and fair processes. This cooperation, while necessary, must respect national autonomy and be adaptable to varying regional concerns. Strengthening these transatlantic ties was seen as vital to enhancing both security and economic resilience in a multipolar world.

#### **VI. Future Directions and Evolving Policy Needs**

The audience acknowledged the accelerating pace of technological change, underscoring the need for adaptable, forward-looking regulatory frameworks. Ongoing information sharing and interactive policy adjustments were emphasized as ways to keep pace with shifting realities, such as the emergence of new technological risks or evolving geopolitical threats. Creating frameworks that are both agile and comprehensive, with the flexibility to accommodate technological breakthroughs, is a primary goal. Future policy directions will need to balance robust security measures with the promotion of an open, innovative economic environment, ensuring that national security and economic competitiveness can coexist.

#### **C. Conclusion**

The panel discussion highlighted the complexities of export controls and investment screening in an era marked by rapid technological change and geopolitical tension. Effective policy-making will require close collaboration between governments, industries, and international partners, informed by historical lessons and adaptive to



emerging challenges. The dialogue reinforced that safeguarding national interests does not need to come at the expense of economic dynamism; instead, a balanced approach can foster a resilient, secure, and competitive global economy. This white paper sets the stage for continued discussion and **policy evolution, aiming to strike that crucial balance.**

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Panel members were Oliver Sigaud (Deputy Director, General Secretariat for Defence and National Security at the Prime Minister's Office, Paris), Antonio Calcara (Head of Geopolitics and Technology at the Centre for Security, Diplomacy and Strategy (CSDS) Vrije Universiteit Brussels), Ryan Stoner (Deputy Director of Investment Affairs and Foreign Affairs Officer, U.S. State Department, Washington D.C.) and John Kabealo, Founder of Kabealo Law PLLC, Washington DC. The Panel was chaired by Ana-Maria Belacurencu (Case Handler, Foreign Investment Department, Romanian Competition Authority, Bucharest). Panel Sherpa was Simon Sharghi-Erdmosa (CELIS Institute).

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The CELIS Institute is an independent non-profit, non-partisan research enterprise dedicated to promoting better regulation of foreign investments in the context of security, public order, and competitiveness. It produces expert analysis and fosters a continuous trusting dialogue between policymakers, the investment community, and academics. The CELIS Institute is the leading forum for studying and debating investment screening policy.

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