Norton A. Schwartz and John K. Hurley write: The recent creation of a new international development bank by Brazil, Russia, India, China, and South Africa – the so-called BRICS – is just the latest challenge to America's global leadership. But, from an international business perspective, the United States remains in a strong position.

Perhaps the best indication of America's enduring stature is the dollar's dominance in international financial transactions. Last year's Foreign Direct Investment Confidence Index, based on a survey of more than 300 executives from 28 countries, showed that, for the first time since the Iraq War began in 2003, foreign investors view the US as the world's most attractive destination for future investment.

The ability to project power internationally begins at home. And, despite its historically slow economic recovery, there is plenty of reason for optimism in the US.

According to the US Federal Reserve Board, the index of industrial production, which had declined by 17% during the recession, returned to its pre-crisis peak in the fourth quarter of last year. The US has also made some progress in "on-shoring" manufacturing activities, and the energy sector is booming, owing to a sharp increase in natural-gas production.

Moreover, new discoveries in life sciences, particularly biotechnology, are nearing commercial breakout. Reforms in primary education, especially at the state and local levels, have bolstered test scores. And American institutions of higher education, though often prohibitively expensive, consistently rank among the best in the world.

Despite the effects of the Congress-imposed sequester on discretionary federal expenditure, the so-called defense industrial base (DIB) has been making adjustments for more than two years. Key firms have put their fiscal houses in order, and now boast healthy debt-to-capital ratios, satisfactory margins, steady profit, and substantial cash in hand. They are also selling off non-profitable lines, purchasing small companies with promising markets, and seeking new markets overseas.

Typically, smaller DIB firms are more flexible, and can move more easily from defense to commercial work. As manufacturing gradually increases, that is precisely what they are doing.

According to the International Monetary Fund, the recent recession is the first in the US since the early 1980s to be followed by a significant recovery in the GDP share of value-added manufacturing. The report cites factors like a weaker dollar relative to emerging-market currencies, a narrowing gap between labor costs in the US and emerging economies, and a significant reduction in domestic energy prices.

Of course, there are many more forces shaping America's global standing. But, from a business perspective, the country's prospects are promising – as long as its leaders work to sustain them. This demands a focus on the three factors of production: people, matériel, and money.

Manufacturing growth notwithstanding, the US has experienced a jobless recovery. In order to support the population's well-being and productivity, industry and government must ensure that there is enough economic opportunity to go around. To this end, US leaders should focus on improving primary and secondary education, and use incentives and well-designed tax policies to cultivate innovation and entrepreneurship.

Matériel involves two components: physical and intellectual. Given that a large share of US production inputs are imported at various stages of the value-addition process, rather than in their raw state, the US must continue to protect the global commons to ensure communication and cooperation among trading countries. At the same time, the US must, in some cases, protect its access to critical materials, stockpiling and safeguarding unique and long-lead fabrication capabilities.

More important, the US must reinforce intellectual-property protection. This should entail the establishment of effective legal protocols to enforce patents and the creation of a strategy for protecting intellectual property in cyberspace.

Finally, the US must lead the way toward a stronger, more resilient global economy by providing sound oversight and regulation aimed at sustaining well-functioning capital markets. After all, the world's financial woes cannot reasonably be cured without first resolving those of its largest economy.

At the same time, with US government debt hovering at or above 100% of annual GDP, the American public must compel lawmakers to pursue fiscal consolidation. Current expenditure on health and pension benefits, for example, is unsustainable. Once fiscal balance is restored, the US can chart a path to growth, make critical investments in infrastructure, and take steps to reduce its adverse impact on the environment.

The US remains the world's biggest market, largest economy, and leading source of creativity and technological development. It is an essential component in the network of countries, companies, and individuals that are driving economic growth and development. And, tellingly, it remains the immigrant's destination of choice.

American politics and foreign policy may be in need of upgrading. But, from a business perspective, the US is hardly in retreat.