

Minutes
Advisory Committee on International Trade
Virginia Economic Development Partnership
April 4, 2023

901 E. Cary Street
9th Floor Board Room
Richmond, Virginia 23219

Call to Order

The meeting was called to order at 10:01 a.m. by Mike Ligon, Chairman of the VEDP Advisory Committee on International Trade.

Members Present:

Hobey Bauhan
Michael Coleman
Bob Feeser
Mike Ligon
Stuart Malawer
Will Sessoms
David White
James Xu

Members Absent:

Tag Greason
Secretary Lohr

Staff Present:

Stephanie Agee
Jamie Canup
Emma Farmer
Kasey Hall (Intern)
Anne Phillips
Julie Richmond
Evan Statile
Mary Wood

Chairman Mike Ligon welcomed everyone to the meeting at 10:03 a.m.

Public Comments

Chairman Ligon solicited for public comments. There were none.

Review and Approval of February 7, 2023, Meeting Minutes

After a review of the February 7, 2023, minutes, Chairman Ligon asked for a revision to one of the comments attributed to him, noting the reference to roads should be rails. Edit was noted and motion to approve the minutes was made. The motion was first approved by Stuart Malawer, seconded by David White, and was unanimously approved by all Committee members present.

Closed Meeting – VEDP International Trade Plan Discussion

Chairman Ligon requested that the Committee move into a closed meeting at 10:03 a.m. A motion was made by Mike Coleman and seconded by Bob Feeser to move into a closed meeting. Jamie Canup, Assistant General Counsel, voiced the following motion for adoption by the Committee to enter into a closed meeting. The following motion was unanimously adopted by all Committee members present.

I MOVE THAT THE ADVISORY COMMITTEE ON INTERNATIONAL TRADE OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY (VEDP) CONVENE A CLOSED MEETING TO DISCUSS ELEMENTS OF THE COMMITTEE'S AND VEDP'S STRATEGIC PLAN, MARKETING PLAN, AND OPERATIONAL PLAN PURSUANT TO SUBDIVISION A 50 OF §2.2-3711, WHICH ALLOWS FOR THE DISCUSSION OF SUCH ACTIVITIES THAT WOULD REVEAL TO COMMONWEALTH'S COMPETITORS FOR ECONOMIC DEVELOPMENT PROJECTS THE STRATEGIES INTENDED TO BE DEPLOYED THUS ADVERSELY AFFECTING THE FINANCIAL INTERESTS OF THE COMMONWEALTH.

Upon the return to the open meeting, the Committee members considered the following certification:

DO YOU CERTIFY, THAT TO THE BEST OF YOUR KNOWLEDGE, (i) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM THE OPEN MEETING REQUIREMENTS OF FOIA WERE DISCUSSED IN THE CLOSED MEETING, AND (ii) ONLY SUCH MATTERS AS WERE IDENTIFIED IN THE MOTION TO GO INTO THE CLOSED MEETING WERE HEARD, DISCUSSED, OR CONSIDERED DURING THE CLOSED MEETING?

The Committee approved the foregoing certification by roll call vote, bringing the Committee out of the closed meeting.

Yeas: Mike Ligon, Hobe Bauhan, Michael Coleman, Bob Feeser, Stuart Malawer, David White, James Xu, Will Sessoms

Nays: None

VEDP International Trade Update – 2022 Export and Import Data

Stephanie Agee provided an update highlighting Virginia's 2022 export and import Data.

She commented that total goods exports from Virginia were up 25% in 2022 compared to 2021. Ms. Agee remarked that the increase in exports was driven by the fuel category, with a 76% growth in coal exports, while also noting an also significant 48% growth in soybean exports.

Hobey Bauhan questioned if exports are credited to Virginia if, for example, frozen turkeys are trucked into Mexico. Ms. Agee responded that if the bill of lading references Virginia, Virginia receives credit for the export.

Ms. Agee stated that imports to Virginia were up 14% from 2021 to 2022.

Virginia's top export destination in 2022 was Canada while China, Mexico, and Canada were at the top of list as sources of imports.

James Xu noted the importance of China as an export destination for Virginia, and a source of imports, but also the growing importance of countries like India, Malaysia, and Vietnam. He continued by stating that he anticipates many jobs will start moving away from China and toward Southeast Asia, noting a conversation he had recently with the CEO of Foxconn, the world's largest technology manufacturer and service provider headquartered in Taiwan. In that conversation they discussed the likelihood that production of many products currently made in China to these other countries. Mr. Xu also noted the Governor's upcoming trip to Asia, including Taiwan, South Korea, and Japan.

Committee Discussion – Public Diplomacy and the Role of the ACIT; Leveraging International Students at VA Universities

Stuart Malawer began the discussion by remarking that trade as a concept has evolved over the last 25 years, going from a concept regarded mostly positively to one that now has a bad reputation. Mr. Malawer suggested the need to generate public and ground support to improve trade's reputation more broadly in the general population to include the General Assembly, businesses, etc. He noted the positive impact of good trade relationships on national security. He said he believes this role of public diplomacy could be a good one for the ACIT and VEDP to take on.

Mr. Malawer stated the need to focus on promoting trade with public diplomacy. He commented that overall, we are in a tough situation. He suggested we develop a more populist support of the benefits of trade. He also stated switching production lines to India would be difficult due to the competition between India and China.

Mr. Malawer suggested that Stephanie Agee and the VEDP International Trade team could take the lead and focus on specific trade promotion ideas.

Will Sessoms would be pleased to encourage the Board to focus on these efforts, as well.

Chairman Ligon asked if it would be beneficial for the ACIT to write a letter to Congress or the Governor. Mr. Ligon also suggested an Op-Ed as a second possibility.

Mr. Malawer shifted the conversation to focus on public universities. He was glad to hear from Stephanie Agee that the trade division had hired an employee to develop an internship for

Virginia college interns. Mr. Malawer believes there are so many assets that could be utilized by connecting foreign graduate students studying in Virginia with Virginia companies. He questioned how we could tap into graduate students to provide information for Virginia companies to be successful, as well. He suggested the development of a website that foreign students could join.

David White remarked that he supported both the public diplomacy idea and the idea of leveraging public universities for trade purposes on a broad level. Regarding trade's negative reputation, he posited that it is connected to the historic outsourcing of manufacturing jobs to foreign countries and suggested we start making the connection that services are also an important export and noting the many jobs and economic benefits that come from those exports.

Bob Feeser agreed and posed the question about whether VEDP needs to be the marketing agency for the positive impact of international trade in Virginia. Regarding the connectivity with international students studying in Virginia, he mentioned the idea of creating affinity groups around particular countries.

The Chairman thanked Stuart Malawer for his discussion and encouraged communications in-between the next scheduled ACIT meeting in July.

Chairman's Update

The Chairman remarked on the recent news that Governor Younkin would lead a trade mission to Asia with stops in Taiwan, Japan, and South Korea on behalf of the Commonwealth of Virginia, noting he would not be visiting China.

Chairman Ligon said that he enjoys staying connected to all of the ACIT members and mentioned that he would like to meet with Mr. Sessoms, the newest member of the committee. He said he is proud of the team we have and is excited to move forward on all of the initiatives discussed.

Bob Feeser commented on the strategy and approach Stephanie Agee is taking to do a refresh of the Virginia International Trade Plan. Mr. Feeser said this created a nice opportunity to step back, evaluate what is working and what's not and to make changes that can be more impactful. He pondered if this could also create an opportunity to design even more initiatives to be presented to the General Assembly.

Ms. Agee asked the committee if they would prefer to tie a meeting into the upcoming July 12th VALET Event where it would be beneficial to the committee to have a firsthand experience with the program. The members confirmed July 12th would work with their calendars.

October 3rd was also suggested for an ACIT meeting to align with the Virginia Maritime Association's International Trade Symposium in Norfolk the same week. Ms. Agee stated that she would be sending out calendar invitations for both dates.

Adjournment

There being no further business, the meeting adjourned at 12:09 p.m.