



ADVISORY COMMITTEE ON INTERNATIONAL TRADE

Virginia International Gateway,
Portsmouth

February 2, 2021

VEDP | International
Trade
ExportVirginia.org

OPEN SESSION AGENDA

Foreign Trade Zones in Virginia	3
International Trade Update	11
Virginia Export & Import Data	15
Chairman's Update and Discussion	19



FOREIGN TRADE ZONES IN VIRGINIA

Virginia International Gateway, Portsmouth



VEDP ACIT

Laura Smith

Sr. Manager, Economic Development

Foreign Trade Zone Administrator

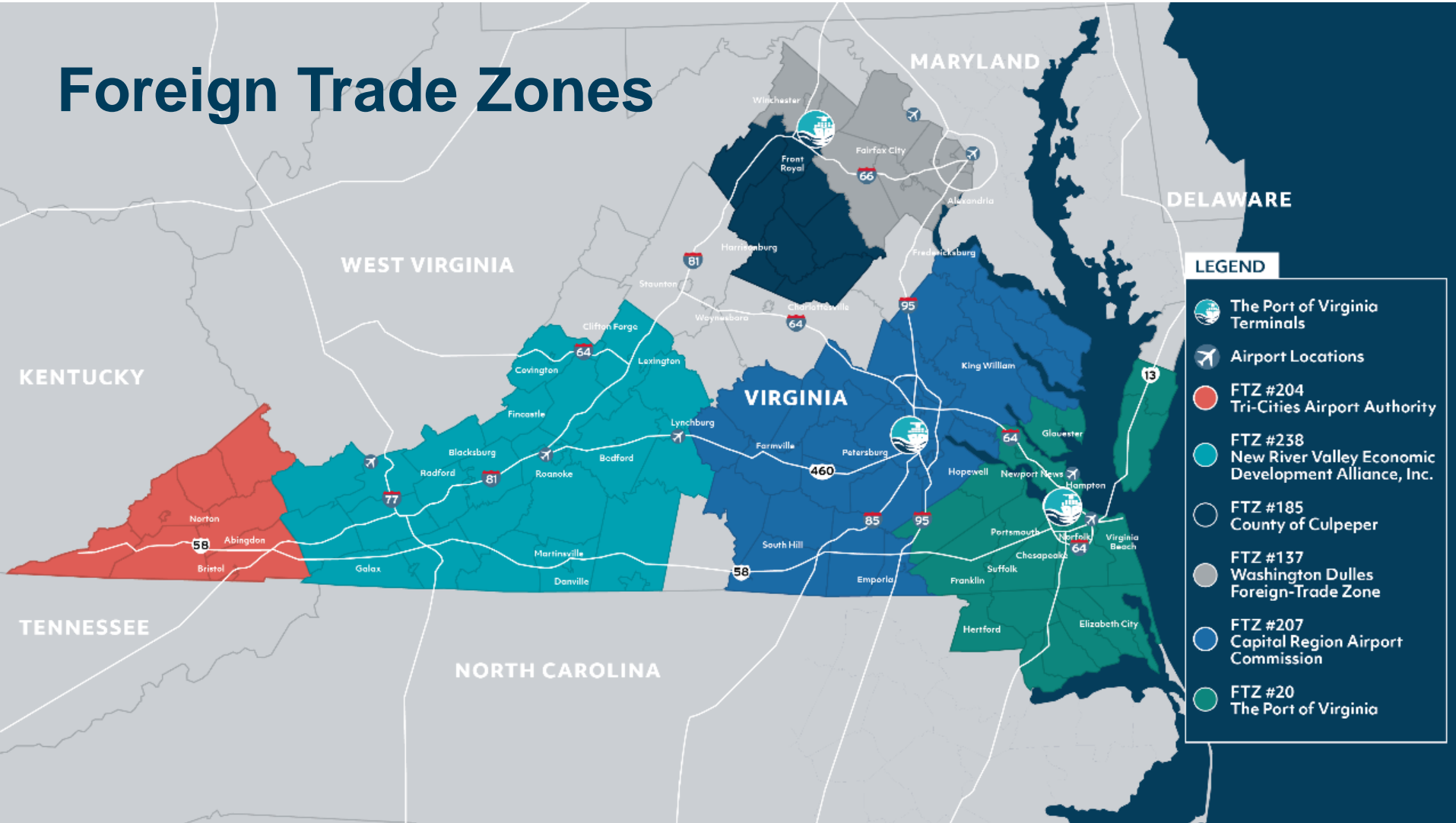
What is a Foreign Trade Zone?

- Foreign Trade Zones are designated locations around the United States in or near a U.S. Customs Port of Entry where merchandise is considered to be in international commerce and outside of US Customs territory.
- Activated businesses in an FTZ can reduce or eliminate duty on imports and take advantage of other benefits to encourage foreign commerce within the United States.

Foreign Trade Zone Benefits

- **Duty Deferral:** Users can avoid paying duties on imported merchandise until the goods are removed from the FTZ and enter in the U.S. commerce. Duty on machinery is deferred until it is put into production
- **Duty Elimination:** There is no duty paid on re-exports or scrap
- **Inverted Tariffs/Duty Reduction:** FTZ zone users can pay lower duty rates on goods produced in the zone when the finished product has a lower duty rate than the imported components and parts
- **Logistical Benefit:** Companies using FTZ procedures may have access to Weekly Entry and Direct Delivery through CBP

Foreign Trade Zones



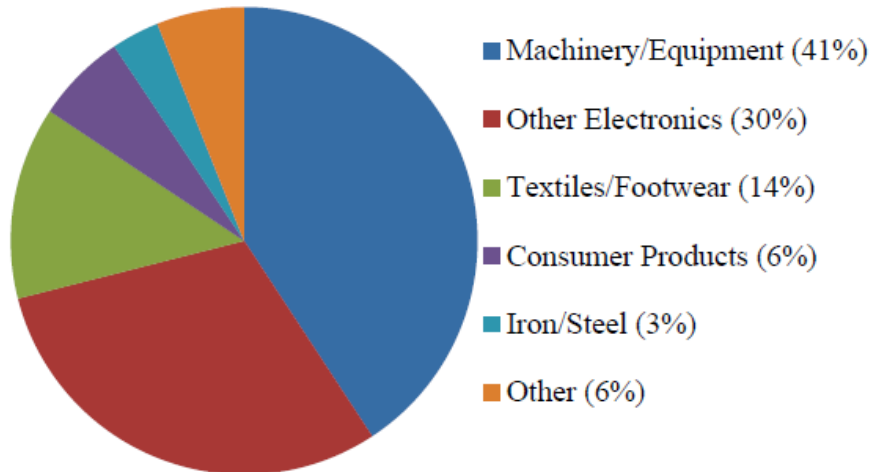
Virginia FTZ Operators



NINE WEST

2019 Annual Report: Virginia

TOP FOREIGN-STATUS PRODUCTS BY VALUE



STATE SUMMARY

Merchandise Received:	\$1,000-5,000 mil
Exports:	\$100-250 mil
Total Shipments:	\$1,000-5,000 mil
Employees:	6,001-7,000



Questions?

A hand is holding a world map made of cardboard. The map is covered with many colorful pushpins (red, yellow, blue, white, green) of various sizes, which are pinned to different locations across the continents. The map is set against a white background, and a dark blue diagonal overlay covers the left side of the image.

INTERNATIONAL TRADE UPDATE

World Map

THE TRADE TEAM IS DELIVERING AN INTERNATIONAL SALES TRAINING WEBINAR SERIES IN FEBRUARY

Master the Art of the Virtual Presentation (February 11th)

Like an actor going from stage to screen, transitioning from in-person to virtual meetings and presentations with prospective customers requires a new skill set in order to be successful. In this session, virtual sales presentation expert Julie Hansen will show Virginia businesses how to successfully connect with prospects in a virtual world and share their solutions and expertise in a compelling and memorable way to grow their business.

Persuasive Communications (February 18th)

This webinar, presented by Leslie Griffin, will focus on helping Virginia exporters prepare strategies to know their audience before a meeting, leverage their assets, and concisely convey value relevant to the potential buyer.

Perfecting Your Value Proposition (February 25th)

This webinar will provide coaching to companies in developing their value propositions. OCO Global, one of VEDP's Global Network consultants, will address the specific challenges it has seen VEDP clients face in international sales meetings and provide tips and strategies to overcome those challenges.

SPRING VIRTUAL TRADE MISSIONS ARE FILLING QUICKLY

Trade Mission or Event	Dates ¹	Status
Virtual Trade Mission to the United Arab Emirates	Feb. 14 - 18, 2021	7 companies registered
IDEX 2021 Trade Show (UAE)	Feb. 21 - 25, 2021	6 companies registered (sold out)
Virtual Trade Mission to Australia & New Zealand	Mar. 1 - 5, 2021	8 companies registered (sold out)
Virtual Trade Mission to Western Europe	Mar. 15 - 19, 2021	8 companies registered (sold out)
Virtual Trade Mission to Mexico	Apr. 19 - 23, 2021	8 companies registered (sold out)
Virtual Trade Mission to Southeast Asia	May 10 - 14, 2021	7 companies registered
Virtual Trade Mission to Colombia	May 24 - 28, 2021	3 companies registered
InfoSecurity 2021 Trade Show (UK)	Jun. 8 - 10, 2021	6 companies registered (sold out)

¹To participate, companies must register at least two months before each event.

IN JANUARY, 7 COMPANIES GRADUATED FROM THE VALET PROGRAM AND 10 COMPANIES JOINED THE PROGRAM

Companies Graduating VALET

- Atomized Products Group of Chesapeake (City of Chesapeake)
- Biomic Sciences (Albemarle County)
- Cambridge International System (Arlington County)
- Diamond Healthcare Corporation (City of Richmond)
- ExploreLearning (City of Charlottesville)
- Fonteva (Arlington County)
- Sentry Equipment & Erectors (Bedford County)

Companies Joining VALET

- American K-9 Interdiction, LLC (Isle of Wight County)
- BecTech (City of Alexandria)
- BluVector (Arlington County)
- Embody, Inc. (City of Norfolk)
- Har-Tru (Louisa County)
- IST Research (City of Fredericksburg)
- Kapsuun Group (Fairfax County)
- Moog Inc. (Montgomery County)
- Morphix Technologies (City of Virginia Beach)
- TRU Ball/AXCEL Archery (Amherst County)

VIRGINIA EXPORT & IMPORT DATA

Lumber Liquidators, Sandston

EXPORTS FROM VIRGINIA ARE DOWN 11% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Export Value, Jan. – Oct. 2020 (\$)	Growth YTD 2019 - 2020 ¹ (%)
1	Mechanical Appliances	1.5B	-7
2	Electrical Machinery	1.5B	-3
3	Fuel	1.4B	-21
4	Plastics	1.1B	-8
5	Aircraft	720M	-2
6	Vehicles	680M	-39
7	Meat	620M	57
8	Scientific Instruments	480M	-15
9	Paper	420M	-13
10	Seeds and Grains	410M	-6
Total Exports		13.4B	-11

¹This measure calculates the change in exports from January - October 2019 compared to January - October 2020.

Source: IHS Markit, Global Trade Atlas

IMPORTS INTO VIRGINIA ARE DOWN 5% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Import Value, Jan. – Oct. 2020 (\$)	Growth YTD 2019 - 2020 ¹ (%)
1	Mechanical Appliances	6.4B	6
2	Electrical Machinery	2.3B	4
3	Vehicles	1.2B	-15
4	Plastics	1.2B	-5
5	Furniture	1.0B	-13
6	Aircraft	1.0B	-15
7	Toys, Games, Sports Equipment	730M	-17
8	Textile	550M	9
9	Steel	520M	-1
10	Scientific Instruments	510M	-13
Total Imports		24B	-5

¹This measure calculates the change in imports from January - October 2019 compared to January - October 2020.

Source: IHS Markit, Global Trade Atlas

VIRGINIA'S TOP EXPORT DESTINATION IS CANADA WHILE THE TOP SOURCE OF IMPORTS IS CHINA

Top export destinations

Rank	Country	Export Value, Jan. – Oct. 20 (\$)
1	Canada	2.2B
2	China	1.4B
3	Mexico	690M
4	United Kingdom	580M
5	Singapore	550M
6	Germany	540M
7	Netherlands	460M
8	Taiwan	450M
9	Belgium	440M
10	Brazil	420M

Top import markets

Rank	Country	Import Value, Jan. – Oct. 20 (\$)
1	China	5.4B
2	Germany	1.8B
3	Canada	1.7B
4	Malaysia	1.6B
5	Mexico	1.3B
6	Vietnam	1.1B
7	United Kingdom	810M
8	France	780M
9	India	750M
10	Italy	630M

A wide-angle photograph of the Melbourne skyline at sunset. The sky is a mix of blue, orange, and yellow. The city's skyscrapers are silhouetted against the bright sky, with some reflecting the golden light. In the foreground, the Yarra River flows under a bridge. A tram is visible on the bridge, and a boat is in the water. The overall scene is vibrant and captures the essence of the city's urban landscape.

CHAIRMAN'S UPDATE AND DISCUSSION

Melbourne, Australia



THANK YOU

Medellín, Colombia