



ADVISORY COMMITTEE ON INTERNATIONAL TRADE

Virginia International Gateway,
Portsmouth

October 26, 2021

VEDP | International
Trade
ExportVirginia.org

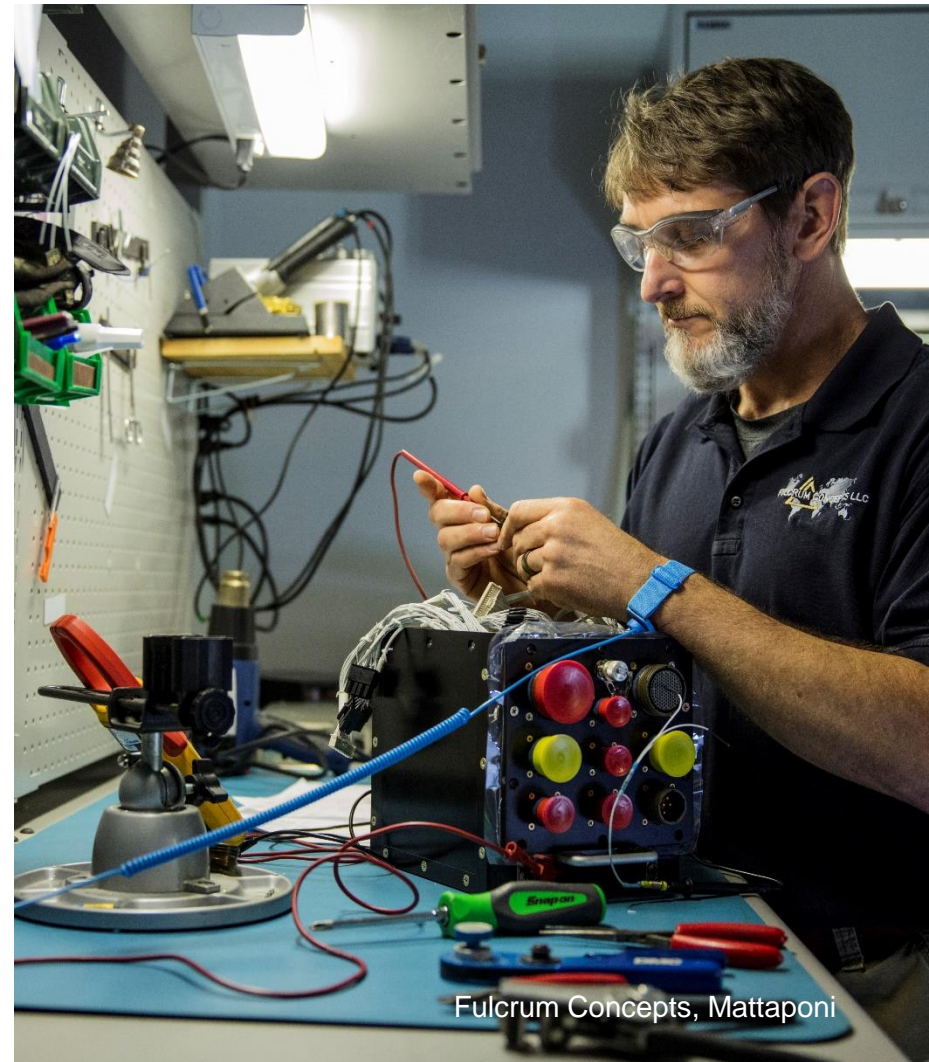
An aerial photograph of a large container port, likely the Virginia International Gateway in Portsmouth. The image shows numerous stacks of colorful shipping containers (blue, red, yellow, green, white) organized in rows. Several large blue gantry cranes are visible, with some labeled 'APM TERMINALS' and 'KONECRANES'. The port area is filled with these containers, extending towards the background where some industrial buildings and more cranes are visible. A large blue diagonal overlay covers the left side of the image, containing the title text.

VIRGINIA'S SUPPLY CHAIN OPTIMIZATION PROGRAM

Virginia International Gateway, Portsmouth

WHY IS SUPPLY CHAIN OPTIMIZATION IMPORTANT TO VIRGINIA?

- 86% of Virginia industries that engage in international trade depend on the importation of intermediate goods for their business operations
- Virginia businesses that utilize intermediate imports generate over \$90B in output, \$131B in economic activity, and support \$1.8B in revenues for the Commonwealth
- Virginia companies that utilize intermediate imports support 550,000 jobs and pay their workers \$3,000 more on average per year
- The Port of Virginia has the capacity to support intermediate imports for Virginia businesses and reports a 50/50 ratio of imports to exports comprising port activity



Fulcrum Concepts, Mattaponi

STREAMLINING AND IMPROVING VIRGINIA SUPPLY CHAINS

The Supply Chain Optimization Program is a one-year program that combines up to \$10,000 in funding with counseling and training.

Program Benefits

- Access up to \$10,000 per company in reimbursements for supply chain-related expenses
- Consulting services to develop a strategy for improving supply chains
- GENEDGE Alliance will provide optimization expertise and support with process improvement, cost reduction, and introduction to tools and methodologies
- Connect with experts on supply chain mapping, transportation, import compliance and more
- Participate in quarterly training sessions on subjects such as foreign trade zones, blockchain, shipping solutions, emerging technologies, and other leading supply chain topics

SUPPLY CHAIN OPTIMIZATION PROGRAM DETAILS

Eligibility

- Company must have at least 5 full-time employees
- Must operate in the Commonwealth of Virginia
- Preferably import inputs for future exporting initiatives

Application and Enrollment Process

- Applications were accepted from September 15, 2021 – October 15, 2021
- 10 companies will be accepted and complete a supply chain assessment by December 1, 2021
- Companies will participate in the program from January 2022 to January 2023
- Quarterly training sessions will be held throughout the year

Supply Chain Support

- For companies not enrolled in the program, supply chain support will be available
- These companies may participate in quarterly training sessions, receive counseling assistance, and receive referrals to supply chain related experts

THE SUPPLY CHAIN OPTIMIZATION PROGRAM PROVIDES REIMBURSEMENT FOR THE FOLLOWING EXPENDITURES

- GENEDGE Alliance Supply Chain Consulting Fees
- International Market Research Fees
- Foreign Trade Zone Fees
- Import Compliance Consulting
- Import Certification Fees
- Training Related to Supply Chains
- Supply Chain Optimization Software
- Freight Forwarding Services
- Import Documentation Services
- Import Related Legal Services
- Supplier Database Fees
- And more!





INTERNATIONAL TRADE ANNUAL SURVEY RESULTS

London, England

VEDP'S INTERNATIONAL TRADE DIVISION SENDS A SURVEY TO EACH COMPANY ENROLLED IN ITS PROGRAMS AND SERVICES

At the end of each fiscal year, a survey is sent to each company enrolled in International Trade's programs and services. This data is used to calculate the division's annual performance metrics.

FY2021 Survey Statistics

- Surveys sent: 330
- Responses received: 208
- Response rate: 63%
- Companies that provided qualitative comments: 88%

COMPANIES ENROLLED (103% OF GOAL) ATTRIBUTED \$670 MILLION IN EXPORT SALES TO VEDP TRADE PROGRAMS IN 2021

Performance Metric	Description	Goal	Actual
Companies enrolled in programs	Number of companies enrolled in VEDP Trade programs	320	330
International sales ¹	<u>Existing</u> international sales attributed to VEDP Trade programs	n/a	\$377M
	<u>New or increased</u> international sales attributed to VEDP Trade programs	n/a	\$293M
	<u>Total</u> international sales attributed to VEDP Trade programs	\$600M	\$670M
Trade-supported jobs	Trade-supported jobs from companies enrolled in VEDP Trade programs	5,400	6,030

¹ See Appendix for details on the international sales calculations.

COMPANIES ATTRIBUTED \$377 MILLION IN EXISTING INTERNATIONAL SALES TO VEDP TRADE PROGRAMS IN 2021

\$377M

Existing international sales supported by Virginia's trade programs and services¹

\$4.7M

Average estimated international sales per company¹

\$961M

Total estimated international sales¹

¹These figures exclude two outlier companies with international sales over \$600M.



The PBE Group, North Tazewell

COMPANIES ATTRIBUTED A \$293 MILLION INCREASE IN INTERNATIONAL SALES TO VEDP TRADE PROGRAMS IN 2021

\$293M

Companies attributed \$293M in new or increased international sales due to the support of VEDP's International Trade programs and services

\$1.4M

Average increase in international sales per company attributed to VEDP's International Trade programs and services



New Ravenna, Exmore

INTERNATIONAL TRADE ACHIEVED EXCEPTIONALLY HIGH SCORES FOR THE QUALITY OF ITS PROGRAMS AND SERVICES

98%

Companies that were “extremely likely” or “likely” to recommend VEDP’s export assistance programs to other Virginia companies

97%

Companies that rated the quality of VEDP-International Trade’s export assistance as “excellent” or “above average”

96%

Companies that were “extremely likely” or “likely” to use VEDP-International Trade for export assistance in the future

99%

Companies that say VEDP-International Trade helped their company work toward achieving its strategic international goals

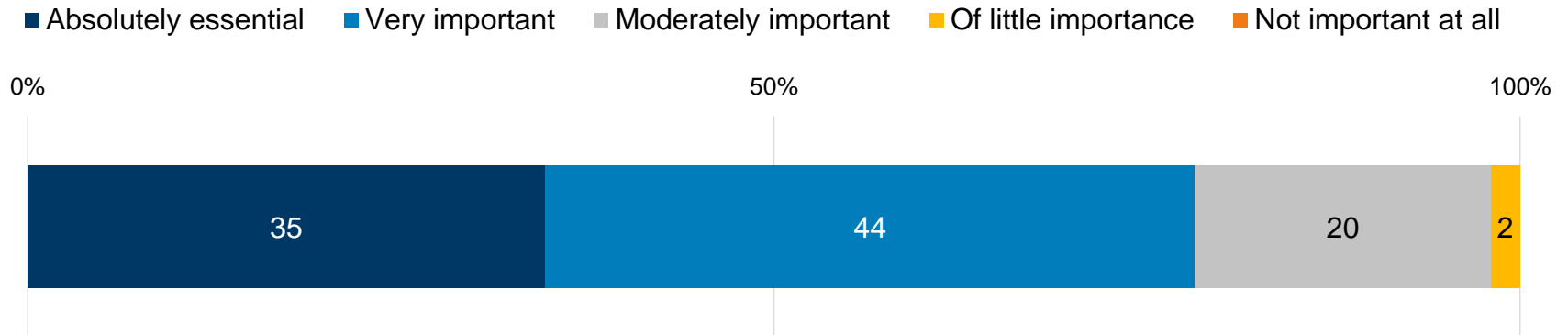


Strongwell Corporation, Bristol

INTERNATIONAL SALES REMAIN AN IMPORTANT COMPONENT OF COMPANY STRATEGIES

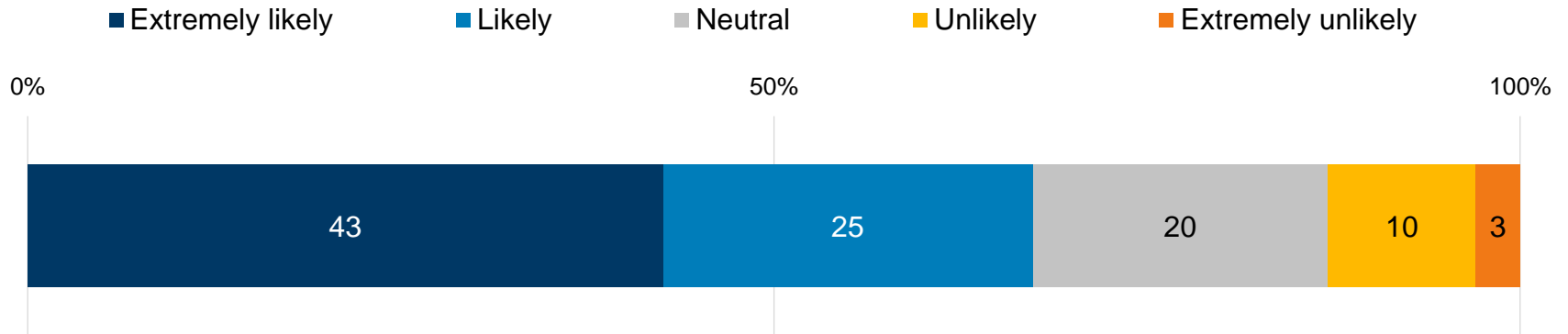
How important are international sales to your company?

%, N=208



How likely is your company to authorize international travel in the next six months?

%, N=208



THE MOST REQUESTED TYPES OF ASSISTANCE WERE REIMBURSEMENT FUNDS, MARKET RESEARCH, AND CONNECTIONS

Which types of assistance would be most valuable to your company in the next year?

Number of responses





EXPORT READINESS ASSESSMENT

Bratislava, Slovakia

VEDP HAS LAUNCHED A NEW ONLINE EXPORT READINESS ASSESSMENT

- VEDP's new online assessment helps Virginia businesses determine whether they are ready to begin exporting or expand into additional markets
- The questions assist companies in systematically thinking through various components of export readiness, including:
 - Capacity for exporting
 - Sales and marketing
 - Market assessment
 - International strategy
- After completing the assessment, businesses receive a summary of their results, tips to improve their export readiness, and the ability to contact a VEDP representative for more information
- The assessment is available at exportvirginia.org



Is your company ready to pursue international sales?

Use this questionnaire to assess your company's readiness to enter your first international market, expand into additional markets, or take on more challenging, high-growth export markets.

🕒 Takes 7+ min

Start

VIRGINIA EXPORT AND IMPORT DATA



Lumber Liquidators, Sandston

EXPORTS FROM VIRGINIA ARE UP 17% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Export Value, Jan. - July 2021 (\$)	Growth YTD 2020 - 2021 ¹ (%)
1	Fuel	1.4B	28
2	Mechanical Appliances	1.2B	22
3	Electrical Machinery	960M	-4
4	Plastics	930M	26
5	Meat	690M	54
6	Vehicles	640M	35
7	Seeds and Fruit	520M	204
8	Scientific Instruments	350M	5
9	Paper	300M	-1
10	Yarn and Rope	240M	0
Total Exports		11B	17

¹This measure calculates the change in exports from January – July 2020 compared to January – July 2021.
Source: IHS Markit, Global Trade Atlas

IMPORTS INTO VIRGINIA ARE UP 26% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Import Value, Jan. - July 2021 (\$)	Growth YTD 2020 - 2021 ¹ (%)
1	Mechanical Appliances	5.8B	39
2	Electrical Machinery	1.6B	2
3	Vehicles	1.0B	48
4	Furniture	970M	42
5	Plastics	900M	14
6	Textile	610M	27
7	Aircraft	580M	-9
8	Steel	510M	36
9	Toys and Games	490M	31
10	Scientific Instruments	470M	33
Total Imports		20B	26

¹This measure calculates the change in imports from January - July 2020 compared to January – July 2021.

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. - July 2021 (\$)
1	Canada	1.8B
2	China	1.5B
3	Mexico	500M
4	United Kingdom	390M
5	Germany	390M
6	Netherlands	340M
7	Taiwan	330M
8	India	320M
9	Brazil	320M
10	Belgium	290M

Top import markets

Rank	Country	Import Value, Jan. - July 2021 (\$)
1	China	3.9B
2	Canada	1.6B
3	Mexico	1.4B
4	Germany	1.3B
5	Malaysia	1.3B
6	Vietnam	870M
7	India	850M
8	Italy	610M
9	Taiwan	570M
10	United Kingdom	560M



THANK YOU

Next Meeting:

Tuesday, December 7th

10:00am - 12:00pm

Seoul, South Korea

APPENDIX: INTERNATIONAL SALES CALCULATIONS

Performance metric	Percentage of sales attributed to VEDP (%)	Number of responses	Average international sales per company (\$)	Total (\$)²
<u>Existing</u> international sales attributed to VEDP International Trade programs¹	75 - 100	38	4,688,252	155,884,379
	50 - 75	30	4,688,252	87,904,725
	25 - 50	45	4,688,252	79,114,253
	0 - 25	93	4,688,252	54,500,930
	Total			377,404,286
<u>New or increased</u> international sales attributed to VEDP Trade programs	100	208	1,406,799	292,614,192

¹ These figures exclude two outlier companies with international sales over \$600M.

² Totals are obtained by multiplying the percentage of sales attributed to VEDP, the number of responses, and the average sales per company. When a percentage range is listed, the calculation uses the midpoint between both percentages. For example, the calculation for 75 - 100% is 87.5% x 38 x 4,688,252.