



Virginia International Gateway, Portsmouth

# ADVISORY COMMITTEE ON INTERNATIONAL TRADE

November 12, 2024



Virginia International Gateway, Portsmouth

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Welcome, Chairman's Comments, and Review Minutes

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Virginia Chamber Update

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ACIT Communications Discussion

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VDACS International Marketing Update

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State Trade Expansion Program (STEP)

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FY24 International Trade Client Survey Results

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Beyond Virginia Calendar

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Closing and 2025 Meeting Schedule Discussion

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# VIRGINIA'S STATE TRADE EXPANSION PROGRAM (STEP) GRANT SUPPORTED 125 BUSINESSES IN 2023

The State Trade Expansion Program (STEP) is a national grant administered and funded in part by the Small Business Administration. The goals are to grow the total number of businesses that are exporting and grow the sales of new and existing exporters.

## Virginia's STEP Grant

- As a result of the International Trade Plan, VEDP hired a Grants Manager in 2021 to manage and expand Virginia's STEP Grant
- Businesses are reimbursed for activities supporting their export goals, up to \$8,000
- Reimbursable activities, specified by SBA, include costs associated with exhibiting at international trade shows, participating in trade missions, designing international marketing materials, website localization, and compliance testing
- The most common reimbursements are for travel associated with international trade shows, trade missions, and market visits. As the only VEDP program that reimburses for travel, this is highly valuable to participating companies.
- Company participation is allocated geographically to support all regions of Virginia
- VEDP partners with VDACS, the US Department of Commerce, and the US Export Assistance Center (USEAC) to provide spaces for referred businesses to participate

### Takeaways<sup>1</sup>

**125**

Virginia businesses participated in STEP last year

**\$259M**

Total international sales reported by businesses participating in STEP

**30**

Average number of Virginia employees for participating businesses

**\$9.4M**

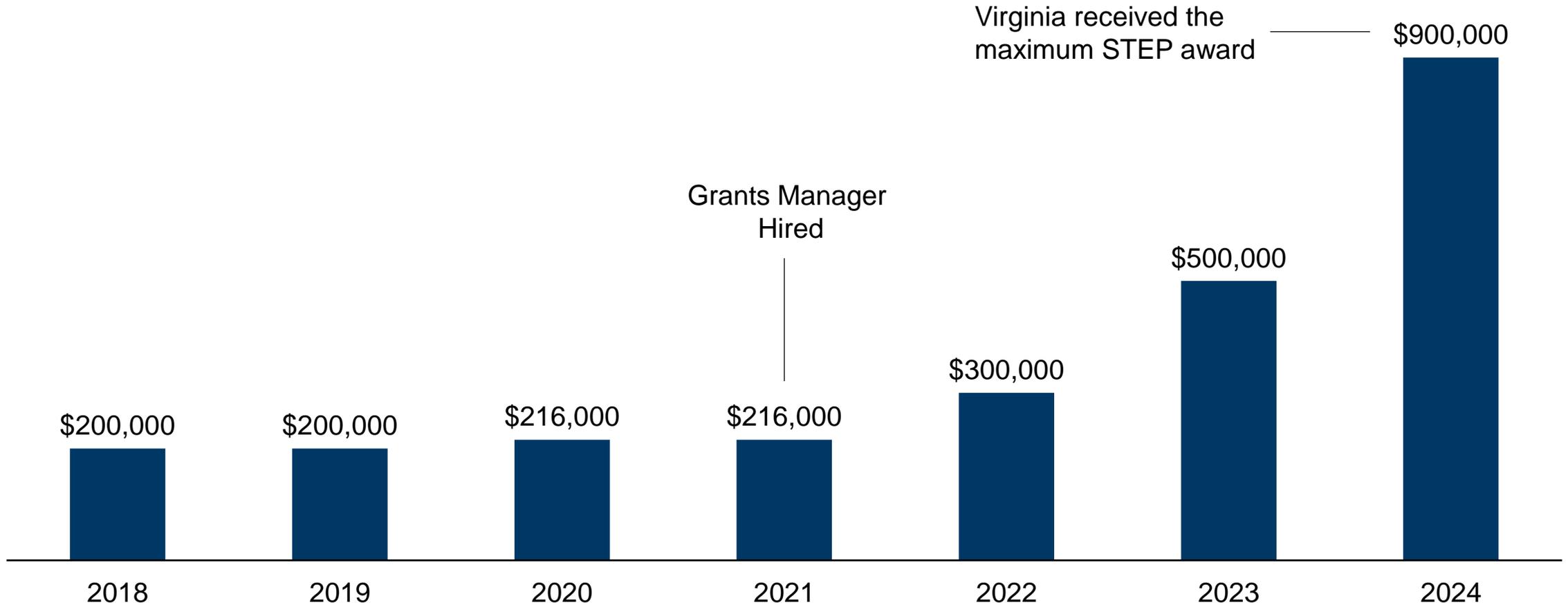
Average annual revenue of participating businesses

<sup>1</sup>Data and program details from Virginia's STEP Grant awarded in 2023

# VIRGINIA'S STEP AWARDS HAVE INCREASED SINCE HIRING A DEDICATED GRANTS MANAGER, REACHING THE MAXIMUM AWARD IN 2024

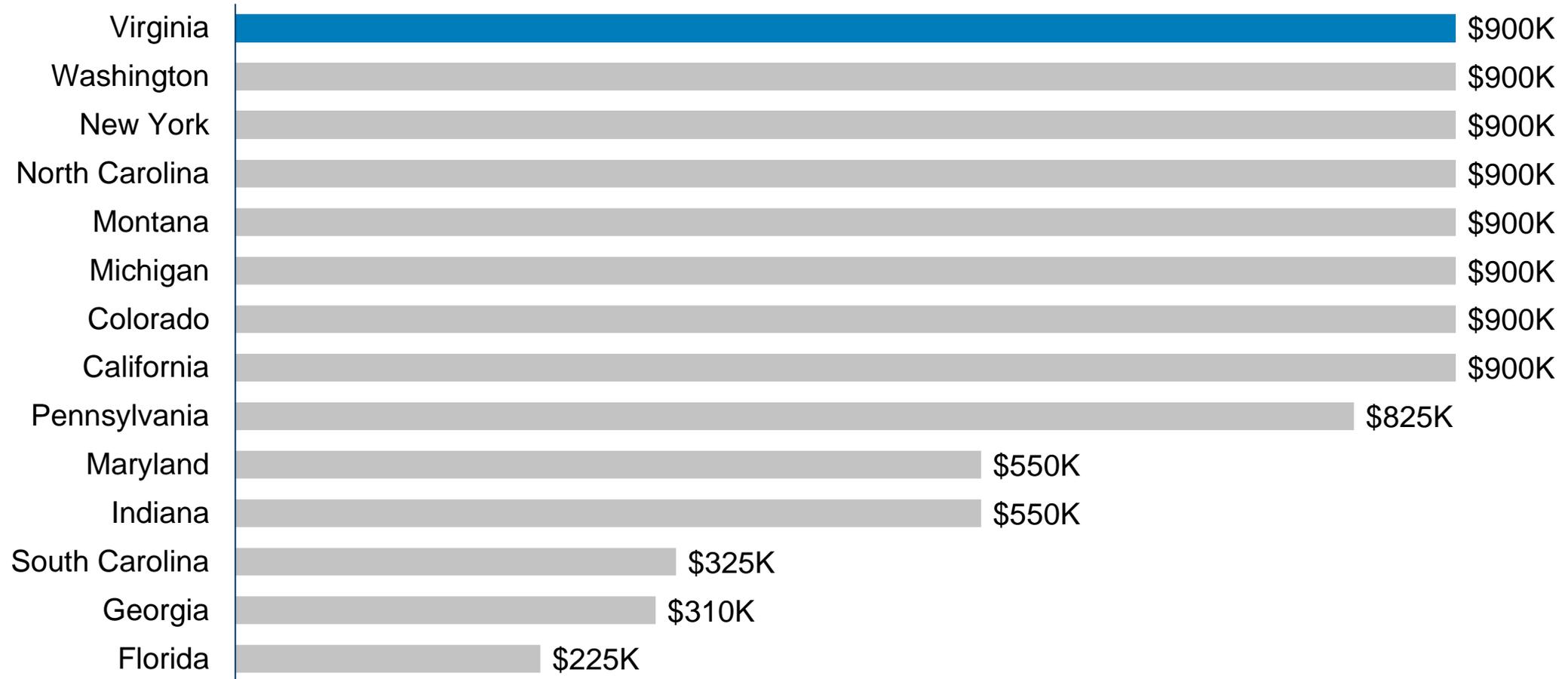
**STEP Federal Award Amount**  
(\$ thousands)

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# VIRGINIA'S 2024 STEP GRANT AWARD COMPARED TO SELECT STATES

**STEP Federal Award Amount**  
(\$ thousands)



# BUSINESSES FROM ACROSS THE COMMONWEALTH HAVE PARTICIPATED IN STEP TO GROW THEIR INTERNATIONAL SALES



Aeroprobe, a manufacturer of air flow measurement systems, used STEP to increase sales in Europe by exhibiting at ASME Turbo Expo in the UK.

## STEP Expenses

- International advertising and travel costs for the UK

## Outcomes

- Aeroprobe reported sales, gained new industry relationships, and learned about the market
- “This assistance significantly enhanced our global outreach and opened new avenues for growth.”



Agrospheres, which manufactures crop protection products, participated in STEP to identify customers in the Middle East and Europe.

## STEP Expenses

- Travel costs to participate in a trade show in Dubai and a sales visit to Switzerland

## Outcomes

- Agrospheres reported sales and new connections
- When asked about its experience using STEP, Agrospheres noted “the process was seamless”



ANRA Technologies, a software provider for airspace management, participated in STEP to identify customers in South Korea.

## STEP Expenses

- Travel costs for VEDP’s Trade Mission to South Korea

## Outcomes

- ANRA gained new customers, made sales, gained exposure to key markets, and forged connections in the industry



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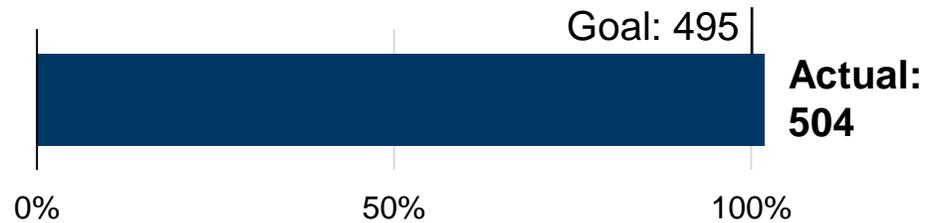
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# IN FY24, TRADE CLIENTS (102% OF GOAL) ATTRIBUTED \$1.5B IN EXPORT SALES TO VEDP TRADE PROGRAMS

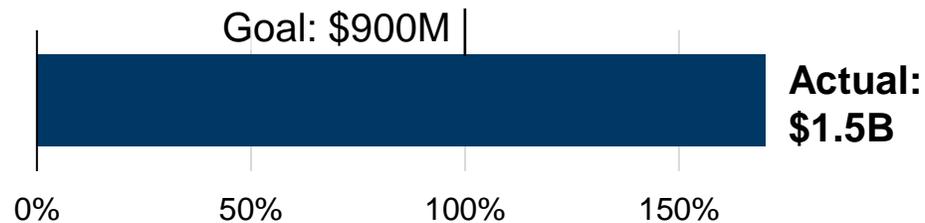
## International Trade Performance Metrics and Results FY2024

■ Actual ■ Remainder to goal

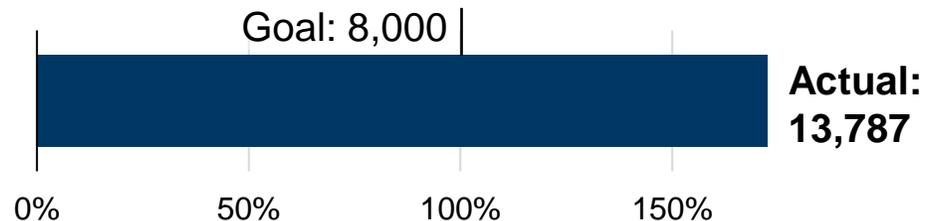
**Number of companies enrolled**  
in VEDP's trade programs



**International sales** attributed to  
VEDP's trade programs



**Trade-supported jobs** from  
companies enrolled in VEDP's  
trade programs



### Takeaways

**63%**

Survey response rate

**89%**

Respondents provided  
comments about the impact  
of VEDP's trade programs

**\$7.2M**

Average existing intl. sales  
per company

**\$2.6M**

Average new or increased  
intl. sales per company

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

**99%**

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

**99%**

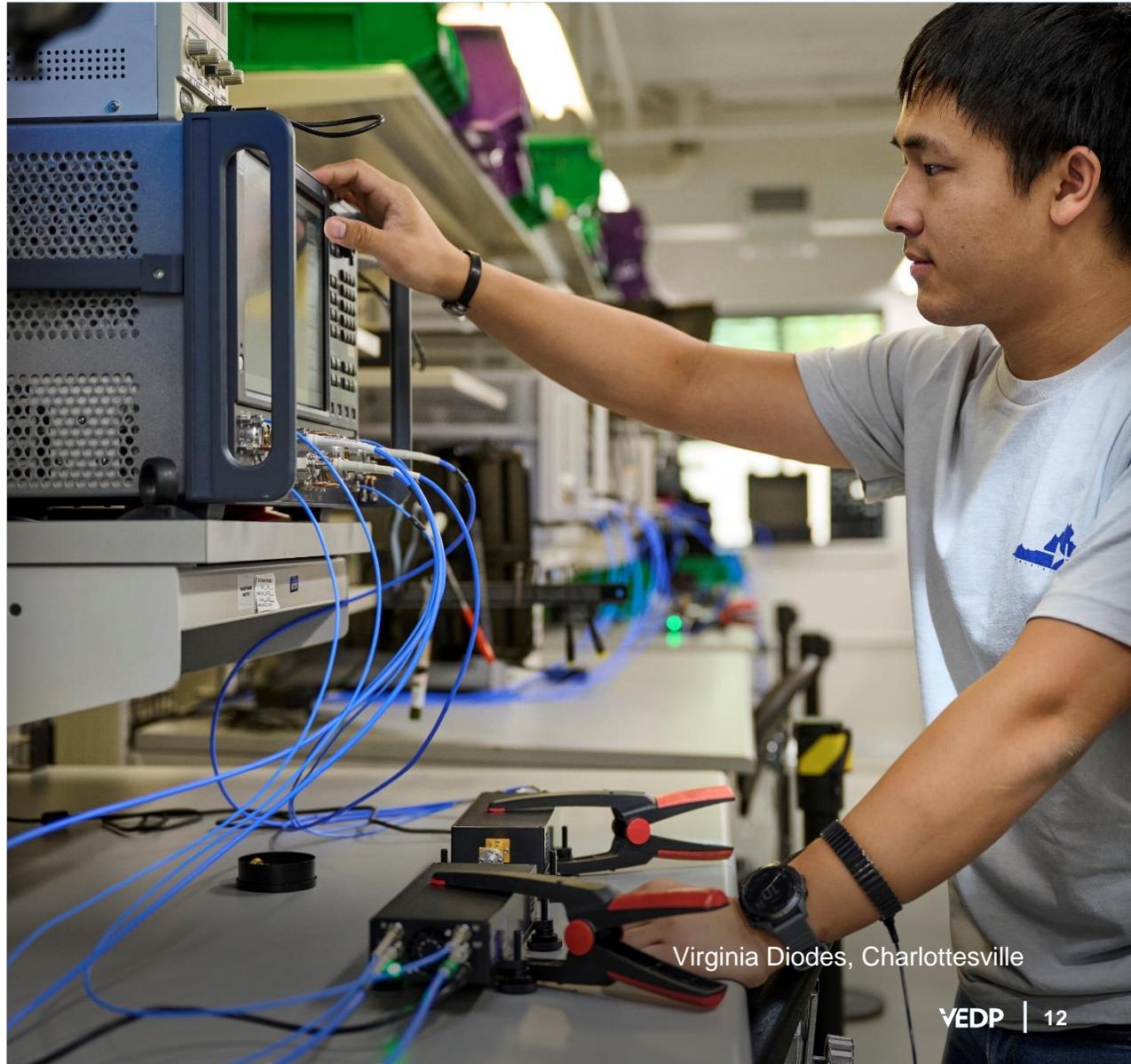
Companies that rated the quality of VEDP-International Trade’s export assistance as “excellent” or “above average”

**99%**

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 them work toward achieving their strategic international goals

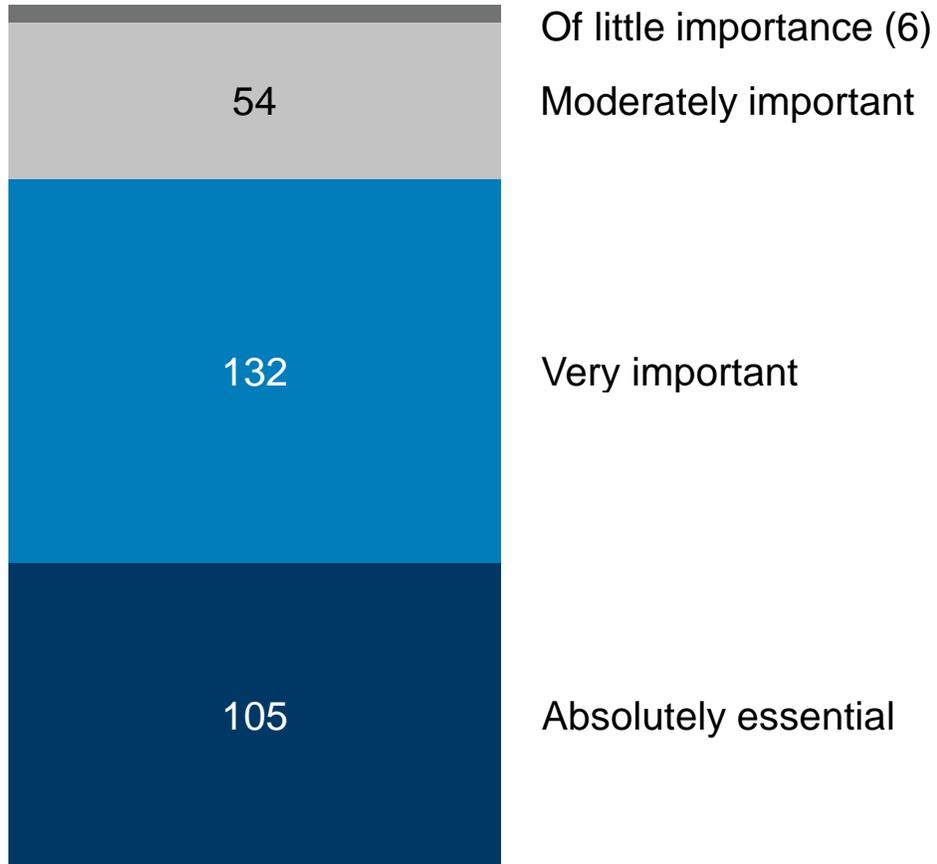


Virginia Diodes, Charlottesville

# 80% OF RESPONDENTS SAID INTERNATIONAL SALES ARE VERY IMPORTANT OR ABSOLUTELY ESSENTIAL TO THEIR COMPANIES

How important are international sales to your company?

Number of responses



## COMPANIES SHARED COMMENTS ABOUT THE IMPACT OF VEDP'S INTERNATIONAL TRADE PROGRAMS

“VEDP helps us touch new markets, grow our business to become more globally recognized, and most importantly create job growth and plant our roots deeper into our community.”

“VEDP support allowed us to have a larger presence at a trade show. Doing so led to ~\$450K in sales opportunities, 75% of which have already closed and the other we have verbal commitments for and anticipate contracts closing within the next month.”

“VEDP's programs and services (and the people who run them) are directly responsible for the success of our export programs. The best in the business, bar none.”

“VEDP has opened the door to help our company into the world of international trade. We have used VEDP services to complete invaluable research and attend trade missions to meet customers we would have otherwise not found. 95% of our international business has been facilitated in some form or fashion by VEDP.”

“Prior to engaging with VEDP, our company had no international sales. Now about 50% of our sales come from international markets. Without these programs, I can honestly say that our company may have gone out of business. During sequestration, our international sales allowed us to continue to stay in business and grow.”



Cadence, Staunton



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# APPENDIX



BluePrint Automation, Chesterfield

# VIRGINIA EXPORT AND IMPORT DATA

## EXPORTS FROM VIRGINIA SHOW NO CHANGE FROM THIS TIME LAST YEAR

Rank	Commodity	Export Value, Jan-Aug 2024 (\$)	Change 2023 - 2024 <sup>1</sup> (%)
1	Mineral Fuels	2.8B	-2
2	Plastics	1.4B	15
3	Mechanical Appliances	1.4B	-7
4	Electrical Machinery	1.2B	-8
5	Vehicles	1.0B	3
6	Scientific Instruments	567M	10
7	Aircraft	551M	21
8	Oil Seeds	398M	-50
9	Wood	328M	8
10	Special Classification Provisions	300M	117
<b>Total Exports</b>		<b>14.9B</b>	<b>0</b>

<sup>1</sup>This measure calculates the change in exports from January – August 2023 compared to January – August 2024.

Source: IHS Markit, Global Trade Analytics Suite, 2-digit level

## EXPORTS FROM VIRGINIA IN A MORE DETAILED VIEW

Rank	Commodity	Export Value, Jan-Aug 2024 (\$)	Change 2023 - 2024 <sup>1</sup> (%)
1	Coal Briquettes	2.8B	-3
2	Tractors	377M	25
3	Polyamides	343M	15
4	Soybeans	331M	-53
5	Integrated Circuits	325M	-36
6	Motor Vehicle Parts	300M	-11
7	Military Apparel and Equipment	273M	158
8	Self-Adhesive Plastics	263M	-1
9	Planes, Helicopters, and/or Spacecraft	238M	155,171
10	Tobacco	222M	37
<b>Total Exports</b>		<b>14.9B</b>	<b>0</b>

<sup>1</sup>This measure calculates the change in exports from January – August 2023 compared to January – August 2024.

Source: IHS Markit, Global Trade Analytics Suite, 4-digit level

## IMPORTS INTO VIRGINIA ARE UP 18% FROM THIS TIME LAST YEAR

Rank	Commodity	Import Value, Jan-Aug 2024 (\$)	Change 2023 - 2024 <sup>1</sup> (%)
1	Mechanical Appliances	7.1B	30
2	Electrical Machinery	2.7B	18
3	Aircraft	2.4B	162
4	Vehicles	1.2B	-33
5	Furniture	1.2B	13
6	Special Classification Provisions	1.2B	216
7	Plastics	1.0B	5
8	Steel	845M	48
9	Scientific Instruments	675M	29
10	Toys, Games, and Sports Equipment	567M	6
<b>Total Imports</b>		<b>27.1B</b>	<b>18</b>

<sup>1</sup>This measure calculates the change in imports from January – August 2023 compared to January – August 2024.

Source: IHS Markit, Global Trade Analytics Suite

# VIRGINIA'S TOP EXPORT DESTINATION IS CANADA AND TOP SOURCE FOR IMPORTS IS CHINA

## Top Export Destinations

Rank	Country	Export Value, Jan-Aug 2024 (\$)	Change 2023- 2024 (%)
1	Canada	2.4B	1
2	India	1.0B	-13
3	China	981M	-28
4	Mexico	892M	13
5	Germany	804M	15
6	Brazil	642M	0
7	Netherlands	634M	-7
8	Belgium	519M	-6
9	United Kingdom	448M	-16
10	Japan	448M	6

## Top Import Sources

Rank	Country	Import Value, Jan-Aug 2024 (\$)	Change 2023- 2024 (%)
1	China	3.7B	0
2	Mexico	2.4B	29
3	Canada	2.1B	16
4	Germany	1.9B	6
5	United Kingdom	1.6B	96
6	Malaysia	1.4B	40
7	Japan	1.4B	121
8	India	1.2B	-1
9	Vietnam	1.1M	13
10	France	992M	37