



ADVISORY COMMITTEE ON INTERNATIONAL TRADE

Virginia International Gateway
Portsmouth

October 6, 2020

VEDP | International
Trade
ExportVirginia.org



INTERNATIONAL TRADE ANNUAL SURVEY RESULTS

Dulles International Airport

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.

FY2020 Survey Statistics

- Surveys sent: 321
- Responses received: 206
- Response rate: 64%
- Companies that provided qualitative comments: 89%

COMPANIES ENROLLED (100% OF GOAL) ATTRIBUTED \$553 MILLION IN EXPORT SALES TO VEDP TRADE PROGRAMS IN 2020

Performance Metric	Description	Goal	Actual
Companies enrolled in programs	Number of companies enrolled in VEDP Trade programs	320	321
International sales ¹	<u>Existing</u> international sales attributed to VEDP Trade programs	n/a	\$378M
	<u>New or increased</u> international sales attributed to VEDP Trade programs	n/a	\$175M
	<u>Total</u> international sales attributed to VEDP Trade programs	\$600M	\$553M
Trade-supported jobs	Trade-supported jobs from companies enrolled in VEDP Trade programs	5,400	4,977

¹See Appendix for details on the international sales calculations.

COMPANIES ATTRIBUTED \$378 MILLION IN EXISTING INTERNATIONAL SALES TO VEDP TRADE PROGRAMS IN 2020

\$378M

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

\$5.3M

Average estimated international sales per company¹

\$1.1B

Total estimated international sales¹

¹These figures exclude one outlier company with international sales over \$1B.



O'Sullivan Films, Winchester

COMPANIES ATTRIBUTED A \$175 MILLION INCREASE IN INTERNATIONAL SALES TO VEDP TRADE PROGRAMS IN 2020

\$175M

Companies attributed \$175M in new or increased international sales due to the support of VEDP's International Trade programs and services

\$850K

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



Fulcrum Concepts, Mattaponi

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

100%

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”

98%

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

98%

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



Strongwell Corporation, Bristol

COMPANIES IN TRADE PROGRAMS SHARED POSITIVE FEEDBACK THROUGH TRADE'S ANNUAL SURVEY

Selected Comments

- “VEDP (specifically the Global Defense Program) was absolutely essential to standing up our international sales activities. They provide huge leverage and value-add far beyond their grant support. Their support, training, and trade missions were, without exaggeration, transformative to our firm. They are a gem: extremely competent, focused, and effective. Please send the true thanks and appreciation of me and all my firm's staff to both to the staff of the VEDP program and those responsible for starting it and continuing to sustain and expand it.”
- “We were able to do three product launches for a new line of products in the Netherlands, Italy, and France thanks to VEDP's export assistance services. This was absolutely critical to get this product line noticed by international customers and end users and we are extremely thankful for this partnership.”
- “The VALET program forced us to think about international growth in a more structured way. We're leaving the program with a well-honed template about how to enter international markets. The VALET program was exactly what we needed to reenergize and rethink our international strategy. The grant money, networking, educational sessions, market research, and consulting were extremely helpful in framing a targeted, sustainable plan for international growth. We're seeing a huge increase in international inquiries and quotes which we expect will result in almost 100% growth in our international business by the end of this year.”
- “[VEDP] connected me with partners/clients whose requirements were perfectly aligned with our technology. Their in-country teams arranged about 10 high quality, high interest meetings with funded buyers and/or contract holders. I could not have imagined a more professional, targeted call plan.”
- “VEDP's services let us safely venture into export markets that we otherwise would not explore.”

COMPANIES IN TRADE PROGRAMS SHARED POSITIVE FEEDBACK THROUGH TRADE'S ANNUAL SURVEY (CONTINUED)

Selected Comments (Continued)

- “We are grateful to VEDP for their continued support. I highly recommend VEDP to my internal and external contacts and network as being one of the best managed state export divisions. I believe the programs, classes, virtual webinars, and exchanging of ideas are invaluable. With your support, we have been able to create unique tools to better serve our international clients. Thank you for being a valued partner and supporter of our international sales division and our growth overseas.”
- “VEDP's export assistance services have been critical in establishing and increasing our international sales. Through international market research provided by VEDP, we have received valuable market information specific to our products and services, helping us to develop successful strategies for expanding into new international markets. VEDP's trade show assistance program allowed us to exhibit at an international show and we were able to directly network, establish contacts, and penetrate international markets that have proven to be very beneficial. VEDP's export assistance services have been extremely helpful in navigating complex international markets and securing sales that may have not been possible otherwise.”
- “Through VEDP trade missions, we have entered into two new countries and have a plan to add four more countries later in the year. Without the VEDP's support, we would have not been able to enter a market with ready meetings and prospects for our technology.”
- “We can easily measure the impact on leads generated after a trade mission. For example, after our trip to Colombia, we now have 464 leads from January to July (compared to 39 leads for the same time period in 2019 - and 95 leads all of 2019). After our Dubai trade mission, we have been working on a potential project with the Ministry of Education in UAE. We are in the process of signing a new distributor in China with the help of VEDP's research. With the help of VEDP, we have reached out to new markets with online meetings: South Africa being at the top of the list right now.”



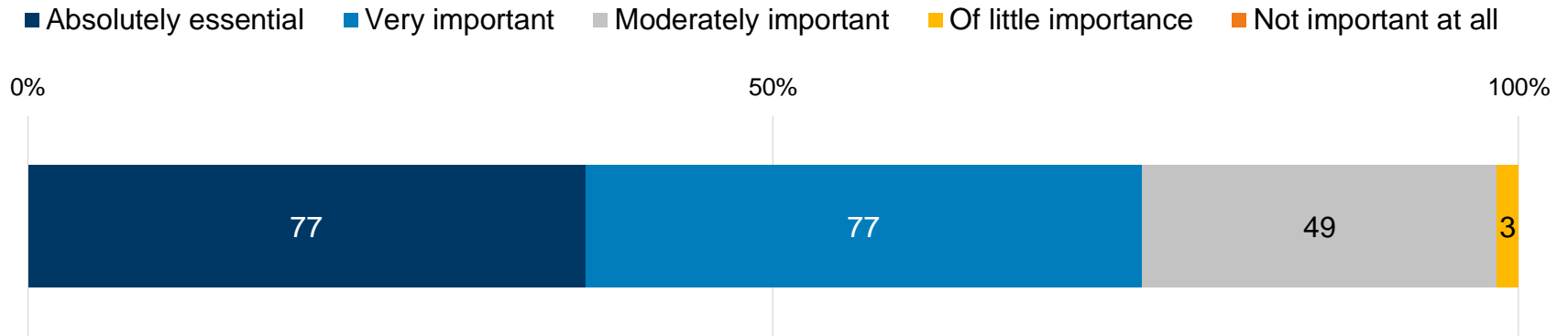
SURVEY RESULTS: IMPACT OF COVID-19

Optical Cable Corp., Roanoke

INTERNATIONAL SALES REMAIN AN IMPORTANT COMPONENT OF COMPANY STRATEGIES

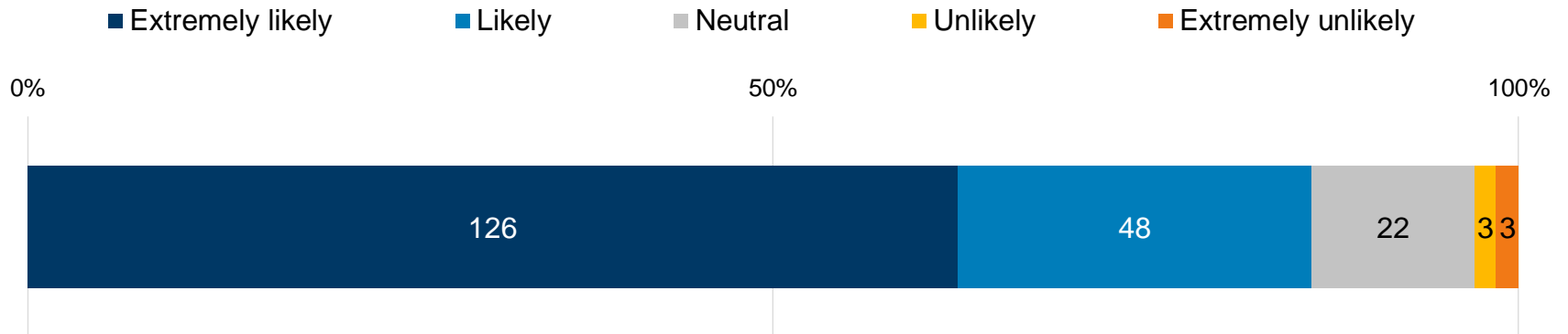
How important are international sales to your company?

Number of responses



How likely are you to pursue international business in the next year?

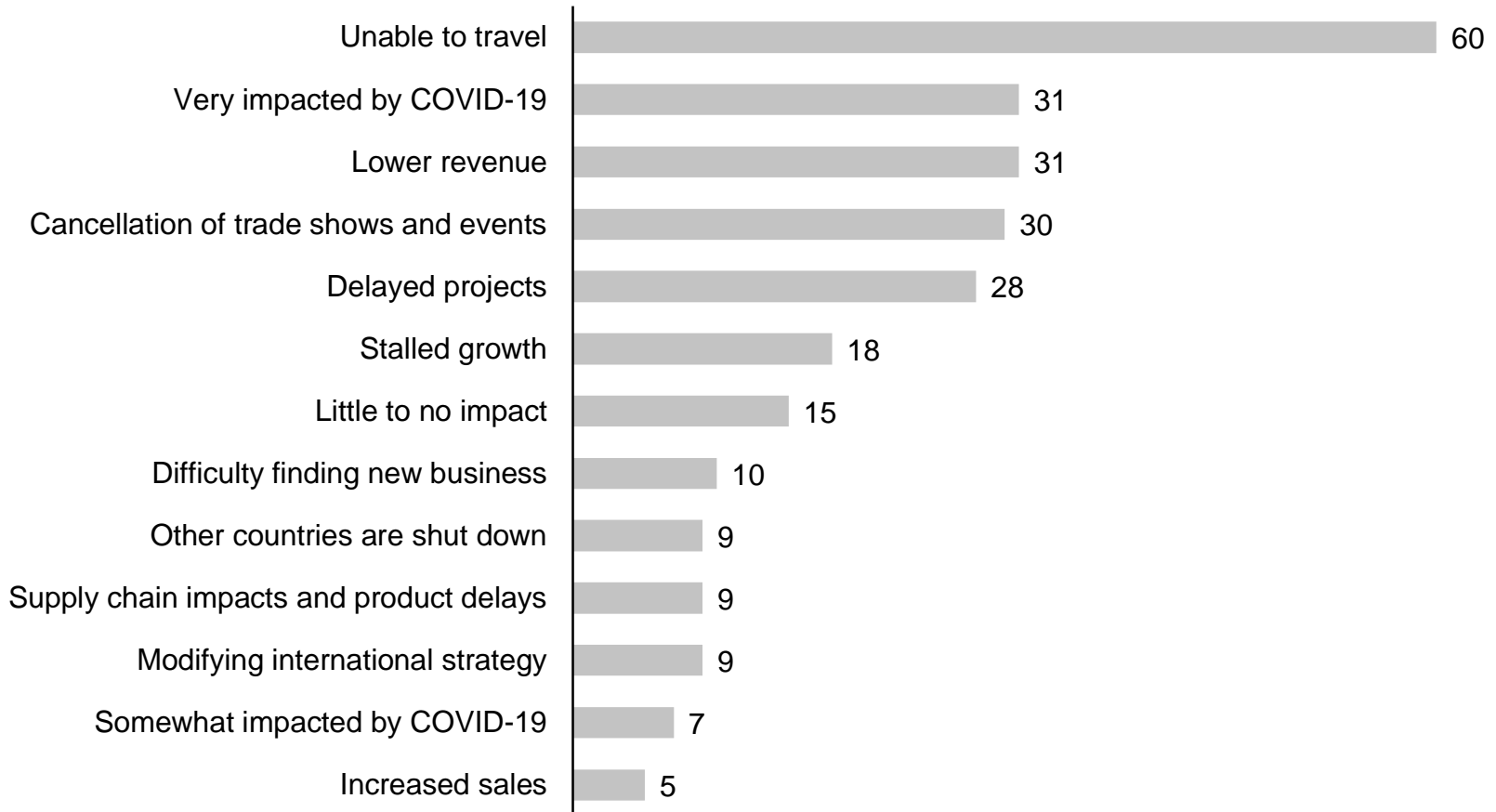
Number of responses



COMPANIES REPORTED HOW THEIR INTERNATIONAL BUSINESS ACTIVITIES HAVE BEEN IMPACTED BY COVID-19

Key themes cited by companies in survey responses

Number of responses



COMPANIES SHARED COMMENTS ON HOW THEIR INTERNATIONAL BUSINESS ACTIVITIES HAVE BEEN IMPACTED BY COVID-19

Selected Comments

- “Business overall has slowed. Without our international business ... in the Middle East, we would be out of business.”
- “The single biggest issue is travel. Our business relies on travel and face-to-face meetings. It has affected our bottom-line as so much of our work is based on activities outside the country where our presence is required.”
- “First, our international sales have slowed due to procurement processes taking longer or being canceled. Second, our ability to deliver services to clients and execute of projects has been constrained due to travel restrictions and the client's inability to operate normally, with several clients deciding to pause projects until the situation normalizes.”
- “We lost several the opportunity to get to several trade shows, and our ability to reach new customers has been all but shut off.”
- “COVID-19 has hugely impacted our ability to meet with potential clients and gain access to the required contacts. VEDP representatives have been stellar in their guidance, assistance, and support through this pandemic.”
- “The biggest impact to our international business has been our inability to travel to the markets we are trying to expand into. In the markets where we are established, our distribution partners have done a good job of maintaining our business and sales. However, in new markets, where being able to physically travel to in order to meet customers, government officials, etc. is essential, everything has been put on an indefinite hold.”

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



INTERNATIONAL TRADE CLIENT PROFILE



Sumitomo Machinery Corporation
of America, Chesapeake

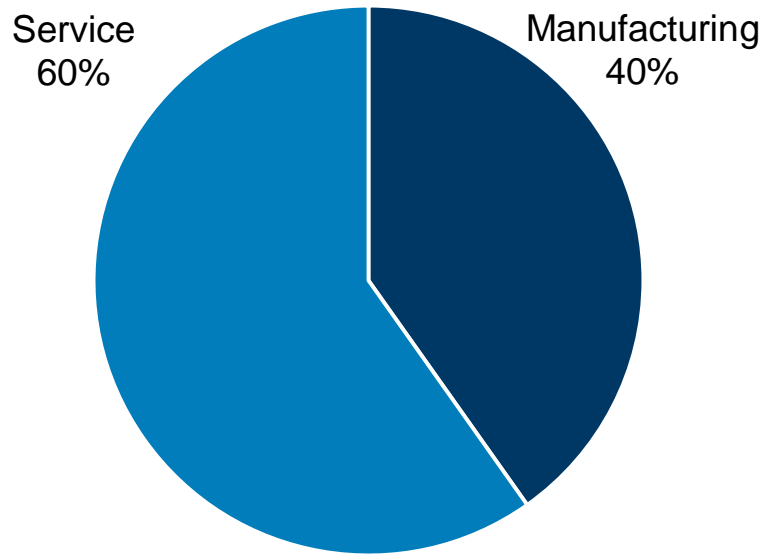
THE 321 COMPANIES ENROLLED IN INTERNATIONAL TRADE PROGRAMS IN FY2020 REPRESENTED 184 DIFFERENT INDUSTRIES

Data on Industry Sector and Product Types

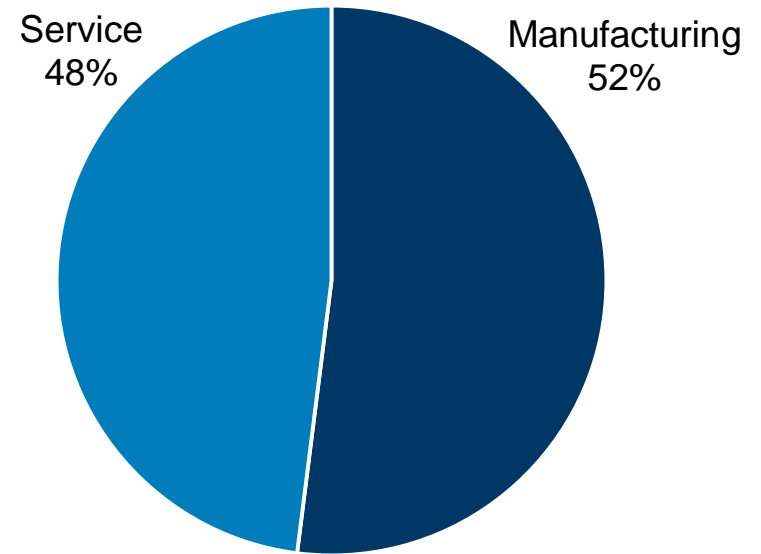
- There were 184 different industry sectors represented by the 321 companies enrolled in international trade development programs in FY2020
- The following list contains some of the 184 NAICS industry codes represented by companies enrolled in international trade development programs during FY2020:
 - 221310 - Water Supply and Irrigation Systems
 - 312120 - Breweries
 - 332215 - Metal Kitchen Cookware, Utensil, Cutlery, and Flatware
 - 333314 - Optical Instrument and Lens Manufacturing
 - 334220 - Radio and Television Broadcasting and Wireless Communications Equipment
 - 334511 - Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems
 - 423450 - Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers
 - 511210 - Software Publishers
 - 541330 - Engineering Services
 - 541712 - Research and Development in the Physical, Engineering, and Life Sciences
 - 561621 - Security Systems Services (except Locksmiths)
 - 611512 - Flight Training
 - 928110 - National Security

IN FY2020, THE TRADE TEAM WORKED WITH NEARLY AN EVEN NUMBER OF SERVICE PROVIDERS AND MANUFACTURERS

Types of companies enrolled in trade programs
FY2017



Types of companies enrolled in trade programs
FY2020



COMPANIES ENROLLED IN THE VALET PROGRAM REPRESENT 4,211 EMPLOYEES IN VIRGINIA¹

Metric	Total	Average
Number of employees in Virginia	4,211	92
Years in business	n/a	23
International sales	\$330M	\$7M
Sales in Virginia	\$2B	\$45M

¹ Data from the 46 companies currently enrolled in the VALET Program

THE VALET PROGRAM PIVOTED TO PROVIDE VIRTUAL ORIENTATION TO NEW COMPANIES

Virtual VALET Orientation

- The VALET Program team recently conducted its first virtual program orientation.
- Normally a two-day, in-person event, orientation was held in shorter, online sessions.
- The VALET team has received great feedback from event participants.

Staff Highlight:

- John Elink-Schuurman, VALET Program Manager
- Richard Miller, VALET Program Manager

EXPORT & IMPORT DATA



Lumber Liquidators, Sandston

EXPORTS FROM VIRGINIA ARE DOWN 12% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Export Value, Jan. - July 2020 (\$)	Growth YTD 2019 - 2020 ¹ (%)
1	Coal	1.1B	-16
2	Electrical Machinery	1.0B	-4
3	Mechanical Appliances	990M	-14
4	Plastics	740M	-10
5	Aircraft	580M	28
6	Vehicles	470M	-45
7	Meat	450M	77
8	Scientific Instruments	340M	-14
9	Paper	300M	-11
10	Wadding, Yarn, Twine	240M	11
Total Exports		9.3B	-12

Source: Global Trade Atlas

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

IMPORTS INTO VIRGINIA ARE DOWN 9% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Import Value, Jan. - July 2020 (\$)	Growth YTD 2019 - 2020 ¹ (%)
1	Mechanical Appliances	4.1B	-1
2	Electrical Machinery	1.5B	5
3	Plastics	790M	-8
4	Vehicles	710M	-27
5	Furniture	680M	-21
6	Aircraft	640M	-3
7	Textiles	480M	-3
8	Iron and Steel	380M	-5
9	Toys, Games, Sports Equipment	370M	-20
10	Special Classification Provisions	370M	-32
Total Imports		16B	-9

Source: Global Trade Atlas

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

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

Top export destinations

Rank	Country	Export Value, Jan. - July 20 (\$)
1	Canada	1.5B
2	China	850M
3	Mexico	470M
4	United Kingdom	430M
5	Germany	400M
6	Netherlands	360M
7	Singapore	350M
8	Belgium	330M
9	Taiwan	320M
10	Brazil	290M

Top import markets

Rank	Country	Import Value, Jan. - July 20 (\$)
1	China	3.3B
2	Germany	1.3B
3	Canada	1.1B
4	Malaysia	960M
5	Mexico	860M
6	Vietnam	760M
7	United Kingdom	560M
8	France	560M
9	Japan	460M
10	Italy	450M



UPCOMING INTERNATIONAL TRADE ACTIVITIES

New Ravenna Mosaics, Exmore

VIRGINIA COMPANIES CAN PARTICIPATE IN THE FOLLOWING TRADE MISSIONS & TRADE SHOWS THROUGH JULY 2021

Trade Mission or Event	Dates ¹	Fee (\$)
Virtual Trade Mission to South Korea & Japan	Oct. 12 - 16, 2020	2,500
AUSA 2020 Trade Show (Virtual)	Oct. 12 - 14, 2020	2,500
Virtual Trade Mission to Czech Republic & Slovakia	Oct. 19 - 23, 2020	2,500
InfoSecurity 2020 Trade Show (UK)	Oct. 20 - 21, 2020	2,500
Virtual Trade Mission to Poland & Romania	Oct. 26 - 30, 2020	2,500
Virtual Trade Mission to Brazil	Oct. 26 - 30, 2020	2,500
Virtual Trade Mission to South Africa & Tanzania	Nov. 9 - 13, 2020	2,500
Commercial UAV Expo Europe	Dec. 1 - 3, 2020	2,500
SHOT Show 2021	Jan. 19 - 22, 2021	2,500
Virtual Trade Mission to the United Arab Emirates	Feb. 14 - 18, 2021	2,500
IDEX 2021 Trade Show (UAE)	Feb. 21 - 25, 2021	2,500
Virtual Trade Mission to Australia & New Zealand	March 1 - 5, 2021	2,500
Virtual Trade Mission to Western Europe	March 15 - 19, 2021	2,500
Virtual Trade Mission to Mexico	Apr. 19 - 23, 2021	2,500
Virtual Trade Mission to Southeast Asia	May 10 - 14, 2021	2,500
Virtual Trade Mission to Colombia	May 24 - 29, 2021	2,500
InfoSecurity 2021 Trade Show (UK)	Jun. 8 - 10, 2021	2,500
Paris Air Show 2021	Jun. 21 - 25, 2021	2,500

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

VEDP'S FALL WEBINAR SERIES WILL HIGHLIGHT OPPORTUNITIES IN KEY MARKETS AROUND THE WORLD

Accessing International Markets Virtually Webinar Series

Each week, VEDP's International Trade team will be hosting a webinar designed to help companies learn about accessing international markets virtually during this new and disruptive period.

Webinar Schedule

- Western Europe - October 8th, 10:00am
- Mexico - October 15th, 2:00pm
- Australia and New Zealand - October 22nd, 3:00pm
- Colombia - October 29th, 2:00pm
- Southeast Asia - November 5th, 10:00am



APPENDIX

The Port of Virginia, Newport News

APPENDIX: INTERNATIONAL SALES CALCULATIONS

Performance metric	Percentage of sales attributed to VEDP (%)	Number of responses	Average international sales per company (\$M)	Total (\$M) ²
<u>Existing</u> international sales attributed to VEDP International Trade programs ¹	75 - 100	36	5.3	166
	50 - 75	19	5.3	63
	25 - 50	38	5.3	75
	0 - 25	112	5.3	74
<u>New or increased</u> international sales attributed to VEDP Trade programs	100	206	.85	175

¹These figures exclude one outlier company with international sales over \$1B.

²Totals 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 36 x 5,276,361.