



Virginia International Gateway, Portsmouth

ADVISORY COMMITTEE ON INTERNATIONAL TRADE

June 11, 2024

**International Trade Team
Recognized with Nation's
Top Export Award for
Second Time**

**VEDP demonstrated
significant contributions
to expand U.S. business
in international markets**

\$1.5B

**In export revenue reported
by clients in 2023**



THE TRADE TEAM WAS WELL REPRESENTED AT THE E AWARDS CEREMONY ON MAY 14





& TREX Company, Winchester

TRADE POLICY UPDATE



Abidjan, Côte d'Ivoire

TRADE MISSION TO SENEGAL AND COTE D'IVOIRE 2024

COMPANIES PARTICIPATING IN THE TRADE MISSION TO SENEGAL AND COTE D'IVOIRE 2024 REPORTED AN AVERAGE OF \$3.8M IN ANTICIPATED INTERNATIONAL SALES

\$3.8M

Average international sales anticipated as a result of participating in the trade mission



COMPANIES PROVIDED POSITIVE FEEDBACK ABOUT THEIR PARTICIPATION IN THE EVENT

“The Trade Mission was very well organized. Getting these levels of contacts on our own as a small business is very challenging. VEDP efforts have placed us 10 rungs on the ladder. We hope to get our first project success very soon.”

“It opened new doors for us, we now have connections with multiple potential partners that could promote our brand, in addition to having connections with end users.”



COMPANIES PROVIDED POSITIVE FEEDBACK ABOUT THEIR PARTICIPATION IN THE EVENT

“[The impact of this event was] being able to explore new markets, engage with local communities, and forge meaningful connections with fellow business leaders. The insights gained and relationships formed will undoubtedly pave the way for exciting collaborations and opportunities in the future.”



Trade Mission to Senegal and Cote d'Ivoire 2024

COMPANIES PROVIDED POSITIVE FEEDBACK ABOUT THEIR PARTICIPATION IN THE EVENT

“Participation in the [trade mission] was an overwhelming success. The delegation's engagements were marked by a series of productive meetings with key officials and business leaders, resulting in promising connections that will assist future business relations in the country. The collaboration between the Dept of Commerce, Embassy, as well as other agencies assisted in receiving a better understanding of the potential business opportunities available. Connecting with the African Development Bank, USAID, and Millenium Challenge will enhance our ability to participate in projects funded by these entities. We have already had follow up sessions with three potential clients.”



Trade Mission to Senegal and Cote d'Ivoire 2024



VIRGINIA'S TOTAL EXPORT GROWTH SINCE 2016

EXECUTIVE SUMMARY

The International Trade Plan (2016) set a target of raising Virginia's ranking to 20th in exports per capita by 2035.

- Virginia reached this goal in 2022 ranking 15th in exports per capita, up from 21st in 2020
- In 2022, Virginia's exports per capita were valued at \$8,076

Virginia's overall growth in total exports was evenly distributed between goods and services.

- Services grew 55% from 2016-2022 and goods grew 53%
- Services account for 2.8 times more exports compared to goods

Virginia's growth in total exports was higher than that of the United States.

- Virginia's exports grew 54% compared to 34% for the United States

In 2022, Virginia's top three goods exports were bituminous coal, soybeans, and integrated circuits.

- Exports of the top three accounted for 12% of the value of Virginia's total exports
- Exports of the top three grew 354% from 2016-2022

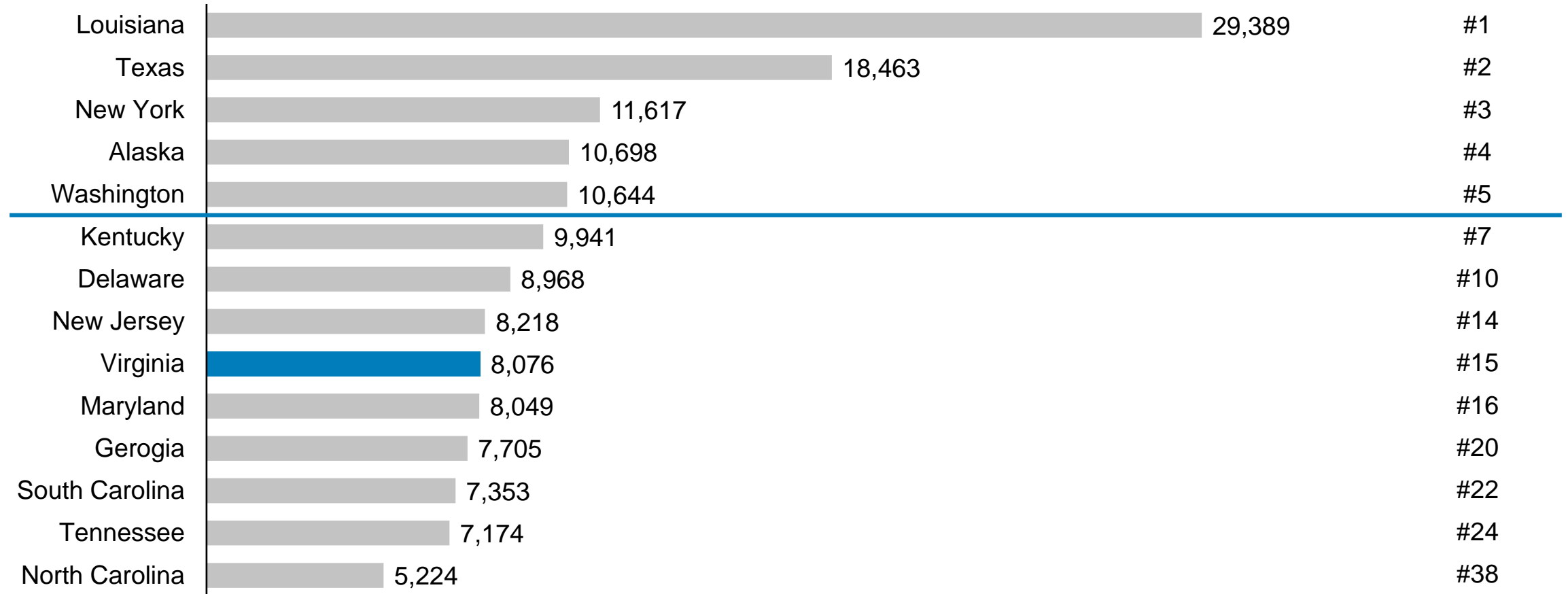
China remains an important export destination for Virginia.

- China was Virginia's 2nd largest export destination in 2022
- Exports to China have increased 75% from 2016-2022
- Virginia's largest export to China is soybeans

VIRGINIA RANKED 15TH IN EXPORTS PER CAPITA IN 2022

Exports per capita
(\$)

State Ranking



GOODS EXPORTS FROM VIRGINIA EXPERIENCED 53% GROWTH FROM 2016 TO 2022

Rank	Product	Export Value, 2016 (\$M)	Export Value, 2022 (\$M)	Change 2016-2022 (%)
1	Bituminous Coal	490	5,800	1,092
2	Soybeans	700	1,700	149
3	Integrated Circuits	640	720	14
4	Woodpulp	192	490	156
5	Polyamides	320	420	32
6	Vehicle Parts	340	390	13
7	Self-Adhesive Plastics	110	380	235
8	Printing Machinery	470	360	-23
9	Pork	130	350	182
10	Tractors	320	340	7
Total Exports		16,000	25,000	53

VIRGINIA'S SERVICES EXPORTS GREW 55% FROM 2016 TO 2022, WITH MANAGEMENT CONSULTING LEADING THE WAY

Rank	Service	Export Value, 2016 (\$M)	Export Value, 2022 (\$M)	Change 2016-2022 (%)
1	Management Consulting	6,900	15,000	123
2	Computer Services	4,700	8,100	72
3	Licenses for R&D	5,700	7,500	32
4	Financial Services, Explicitly Charged	1,700	2,800	62
5	Government Goods and Services	1,700	2,600	58
6	Technical and Trade-Related Services	1,500	1,700	14
7	Personal Travel	1,800	1,600	-11
8	R&D Services	990	1,100	7
9	Air Transportation	670	760	14
10	Computer Software Licensing	870	730	-16
Total Exports		29,000	45,000	55

VIRGINIA'S SERVICES EXPORTS GREW SLIGHTLY MORE THAN GOODS EXPORTS FROM 2016 TO 2022

The largest driver of goods export growth in Virginia was bituminous coal.

- Grew from \$490M to \$5.8B, a 1,092% increase
- Over 50% of bituminous coal exports in 2022 went to India (31%), the Netherlands (15%), and Brazil (9%)
 - China accounted for 27% of exports in 2021, but decreased to 5% in 2022

Virginia ranks 25th in the country for goods exports

- Up from 26th in 2016

Virginia's strength is in its service exports

- The value of service exports is 2.8 times the value of goods exports
- There is a more even distribution in the growth of service exports
 - Management consulting grew by 123%
- Virginia is the 5th largest service exporter in the U.S.

Year	Virginia Goods Exports	Virginia Services Exports	Total Exports
2016	\$16B	\$29B	\$46B
2022	\$25B	\$45B	\$70B
Growth	53%	55%	54%

VIRGINIA'S EXPORTS GREW MORE THAN U.S. EXPORTS FROM 2016 TO 2022, WITH VIRGINIA SERVICES EXPORTS SEEING THE HIGHEST GROWTH

Virginia's overall exports grew 20 percentage points more than those of the U.S. as a whole from 2016-2022

- Virginia's share of total U.S. exports increased from 2% to 2.3%

Virginia's growth in goods exports was only slightly above that of the U.S.

- Virginia increased its share of total U.S. goods exports in plastics, aluminum, and food & beverages
- Virginia's share of U.S. goods exports increased from 1.1% to 1.2%

Virginia's growth in services exports was much larger than that of the U.S.

- Virginia increased its share of total U.S. services exports in almost all service categories, with management consulting and computer services increasing the most
- Virginia's share of U.S. services exports increased from 3.7% to 4.9%

Year	Virginia Goods Exports	U.S. Goods Exports	Virginia Services Exports	U.S. Services Exports	Virginia Total Exports	U.S. Total Exports
2016	\$16B	\$1.5T	\$29B	\$780B	\$46B	\$2.3T
2022	\$25B	\$2.1T	\$45B	\$930B	\$70B	\$3.0T
Growth	53%	42%	55%	19%	54%	34%

GLOBAL ECONOMIC AND GEOPOLITICAL FACTORS INFLUENCED VIRGINIA'S TOTAL EXPORT GROWTH RATES

The Covid-19 pandemic caused a global economic downturn.

- Virginia saw goods and services exports decline in 2020
- Both goods and services rebounded strongly in 2021 and 2022

Value of the U.S. dollar remained strong over the period 2016-2022.

- A strong dollar tends to hurt exporters as U.S. goods become more expensive when using foreign currency
- Virginia grew its goods and services exports over this time period despite a robust dollar

Geopolitical changes generally have short-term export impacts.

- Increase in interstate violence (Ukraine, Israel, Taiwan)
 - Explosives exports increased 124,128%
- Trade war with China
 - Goods exports down 30% in 2018
 - Largest drops in metals, plastics, and agricultural goods

Unit price of coal exports grew at a steady rate for most of 2016-2022

- Global Trade Analytics Suite does not have quantity or unit price data for all goods, but they do have it for coal
 - Only for the United States, cannot break data down by state
 - The unit price of coal for U.S. exports slowly grew from 2016-2021, before increasing 80% in 2022
 - Possibly due to increased demand from Europe following sanctions on Russia for its invasion of Ukraine

GOODS EXPORTS FROM VIRGINIA EXPERIENCED 15% GROWTH FROM 2016 TO 2022 WHEN EXCLUDING THE TOP THREE: COAL, SOYBEANS, AND SEMICONDUCTORS

Rank	Product	Export Value, 2016 (\$M)	Export Value, 2022 (\$M)	Change 2016-2022 (%)
1	Bituminous Coal	490	5,800	1,092
2	Soybeans	700	1,700	149
3	Integrated Circuits	640	720	14
4	Woodpulp	192	490	156
5	Polyamides	320	420	32
6	Vehicle Parts	340	390	13
7	Self-Adhesive Plastics	110	380	235
8	Printing Machinery	470	360	-23
9	Pork	130	350	182
10	Tractors	320	340	7
Total Exports		14,000	17,000	15

IMPACT OF COAL, SOYBEANS, AND SEMICONDUCTORS ON VA GROWTH FROM 2016-2022

Virginia's top 3 goods, bituminous coal, soybeans, and semiconductors, accounted for a large share of the total value of Virginia's exports, and its growth in goods exports.

- Bituminous Coal
 - Exports grew 1,092% over the time period
 - Exporting to India (31%), Netherlands (15%), and Brazil (9%)
- Soybeans
 - Exports grew 149% over the time period
 - Exporting to China (54%), Egypt (15%), and Taiwan (10%)
- Semiconductors
 - Exports grew 14% over the time period
 - Exporting to Taiwan (46%), Singapore (41%), and Hong Kong (7%)

Virginia Exports	2016	2022	Growth (16-22)
Goods Exports (Including Top 3)	\$16B	\$25B	53%
Goods Exports (Excluding Top 3)	\$14B	\$17B	15%
Goods Exports (Only Top 3)	\$1.8B	\$8.3B	354%
Goods Export Share of Top 3	11%	33%	-
Total Export Share of Top 3	4%	12%	-

IMPACT OF TRADE WITH CHINA ON VIRGINIA'S GOODS EXPORT GROWTH FROM 2016-2022

Rank	Product	Export Value to China, 2016 (\$M)	China Share of Goods Exports, 2016 (%)	Export Value to China, 2022 (\$M)	China Share of Goods Exports, 2022 (%)
1	Bituminous Coal	32	6	270	5
2	Soybeans	410	59	940	54
3	Integrated Circuits	11	2	6	1
4	Woodpulp	20	10	62	13
5	Polyamides	46	14	54	13
6	Vehicle Parts	5	2	9	2
7	Self-Adhesive Plastics	35	32	220	57
8	Printing Machinery	.1	0	3	1
9	Pork	31	25	120	35
10	Tractors	.2	0	0	0
Total Exports		1,600	10	2,900	11

VIRGINIA'S GOODS EXPORTS TO CHINA HAVE GROWN SINCE 2016

Virginia's largest export to China is soybeans.

- Over 50% of soybeans currently go to China, and soybean exports to China were valued at just under \$1B in 2022
- Virginia does not export a large share of bituminous coal or semiconductors to China

Exports to China accounted for 14% of Virginia's overall growth in goods exports over the time period 2016-2022.

- Trade with China grew 75% from \$1.6B to \$2.9B over the time period
- China is Virginia's 2nd largest export destination

The top 5 Virginia goods exports to China in 2022 were:

- Soybeans
- Bituminous Coal
- Self-Adhesive Plastics
- Edible Offal Meat
- Medicaments

Year	Virginia Goods Exports	Virginia Goods Exports (Without China)	China's Share
2016	\$16B	\$15B	10%
2022	\$25B	\$22B	11%
Growth	53%	51%	14%



VIRGINIA EXPORT AND IMPORT DATA

EXPORTS FROM VIRGINIA WERE DOWN 10% IN 2023

Rank	Commodity	Export Value, 2023 (\$)	Change 2022 - 2023 ¹ (%)
1	Mineral Fuels	4.2B	-30
2	Mechanical Appliances	2.3B	9
3	Electrical Machinery	2.2B	25
4	Plastics	1.8B	1
5	Vehicles	1.4B	26
6	Oil Seeds	1.4B	-23
7	Scientific Instruments	780M	11
8	Aircraft Parts	560M	27
9	Paper	470M	-20
10	Food and Animal Waste	440M	4
Total Exports		22.4B	-10

¹This measure calculates the change in exports from January – December 2022 compared to January – December 2023.

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

EXPORTS FROM VIRGINIA IN A MORE DETAILED VIEW

Rank	Commodity	Export Value, 2023 (\$)	Change 2022 - 2023 ¹ (%)
1	Bituminous Coal	4.2B	-28
2	Soybeans	1.3B	-26
3	Integrated Circuits	780M	7
4	Tractors	480M	41
5	Motor Vehicle Parts	470M	21
6	Civilian Aircraft, Engines	420M	32
7	Self-Adhesive Plastics	390M	3
8	Polyamides	380M	-10
9	Telephones	380M	47
10	Computers	350M	36
Total Exports		22.4B	-10

¹This measure calculates the change in exports from January – December 2022 compared to January – December 2023.

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

IMPORTS INTO VIRGINIA WERE DOWN 14% IN 2023

Rank	Commodity	Import Value, 2023 (\$)	Change 2022 - 2023 ¹ (%)
1	Mechanical Appliances	7.9B	-17
2	Electrical Machinery	3.6B	5
3	Vehicles	2.5B	-18
4	Furniture	1.6B	-20
5	Plastics	1.4B	-24
6	Aircraft	1.4B	1
7	Toys, Games, and Sports Equipment	980M	-21
8	Textiles	960M	-2
9	Steel	880M	-13
10	Scientific Instruments	830M	18
Total Imports		34.0B	-14

¹This measure calculates the change in imports from January – December 2022 compared to January – December 2023.

Source: IHS Markit, Global Trade Analytics Suite

VIRGINIA'S TOP EXPORT DESTINATION WAS CANADA AND TOP SOURCE FOR IMPORTS WAS CHINA IN 2023

Top Export Destinations

Rank	Country	Export Value, 2023 (\$)	Change 22-23 (%)
1	Canada	3.6B	2
2	China	2.0B	-30
3	India	1.8B	-21
4	Mexico	1.2B	10
5	Netherlands	1.0B	-32
6	Germany	950M	-5
7	Brazil	870M	10
8	United Kingdom	740M	8
9	Taiwan	730M	0
10	Belgium	700M	21

Top Import Sources

Rank	Country	Import Value, 2023 (\$)	Change 22-23 (%)
1	China	5.7B	-24
2	Mexico	2.8B	-25
3	Canada	2.7B	-1
4	Germany	2.7B	0
5	India	1.8B	-11
6	Malaysia	1.5B	-22
7	Vietnam	1.5B	-11
8	Italy	1.3B	8
9	United Kingdom	1.2B	-5
10	France	1.1B	8