



# ADVISORY COMMITTEE ON INTERNATIONAL TRADE

Virginia International Gateway,  
Portsmouth

February 2, 2021

**VEDP** | International  
Trade  
ExportVirginia.org

# OPEN SESSION AGENDA

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# FOREIGN TRADE ZONES IN VIRGINIA

Virginia International Gateway, Portsmouth



# VEDP ACIT

Laura Smith

Sr. Manager, Economic Development

Foreign Trade Zone Administrator

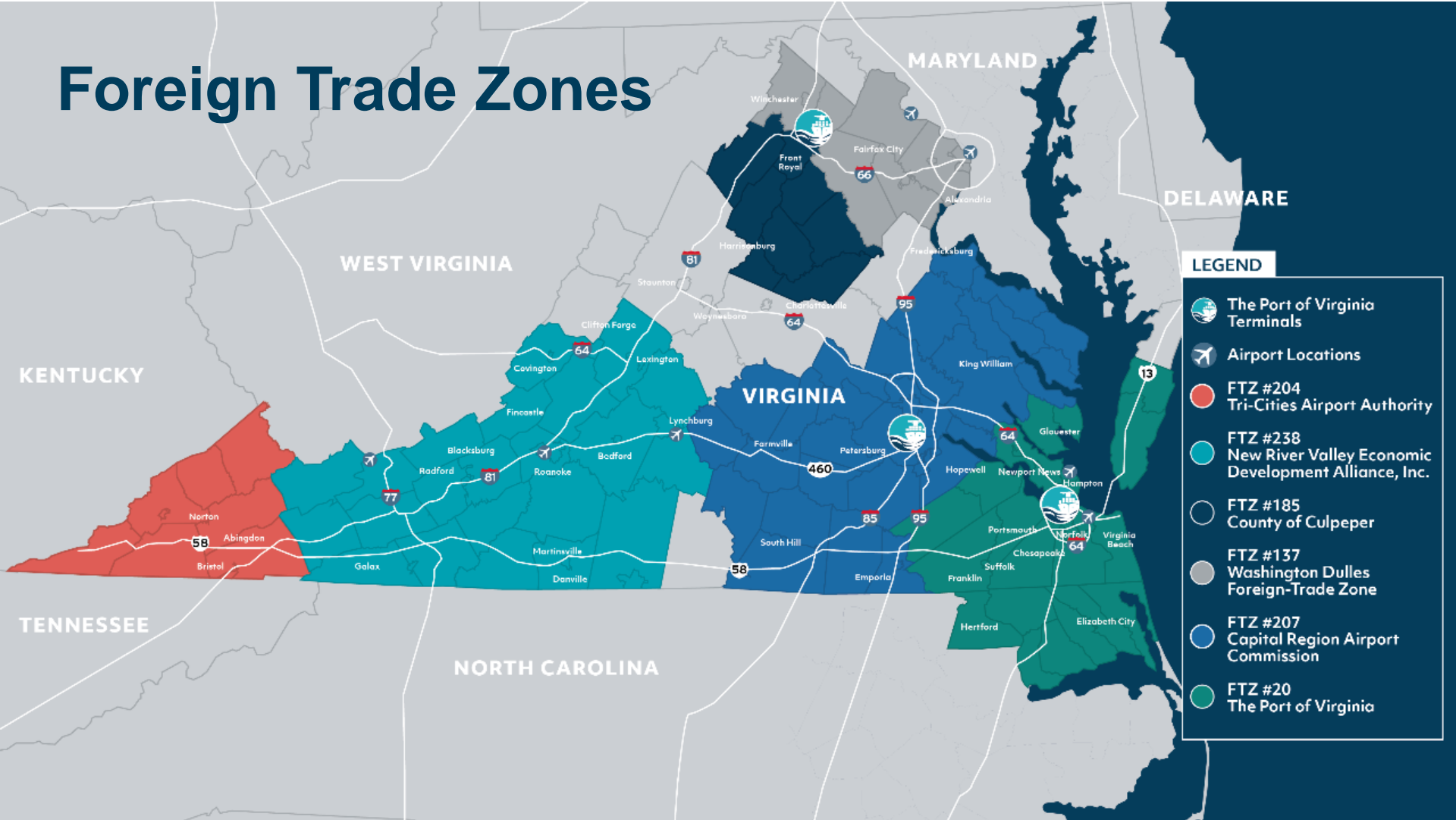
# What is a Foreign Trade Zone?

- 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



**LEGEND**

- The Port of Virginia Terminals
- Airport Locations
- FTZ #204  
Tri-Cities Airport Authority
- FTZ #238  
New River Valley Economic Development Alliance, Inc.
- FTZ #185  
County of Culpeper
- FTZ #137  
Washington Dulles Foreign-Trade Zone
- FTZ #207  
Capital Region Airport Commission
- FTZ #20  
The Port of Virginia

# Virginia FTZ Operators

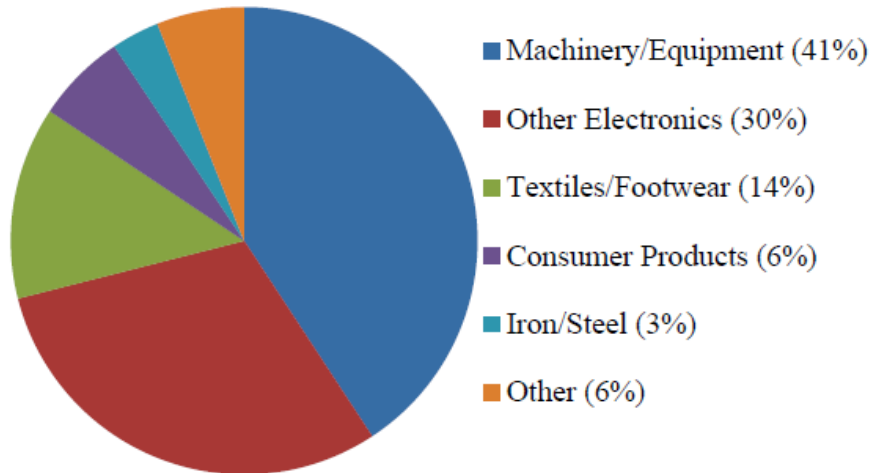


NINE WEST



# 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?**



# 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 11<sup>th</sup>)**

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 18<sup>th</sup>)**

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 25<sup>th</sup>)**

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 <sup>1</sup> | 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) |

<sup>1</sup>To 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,<br>Jan. – Oct. 2020 (\$) | Growth YTD<br>2019 - 2020 <sup>1</sup> (%) |
|----------------------|------------------------|--|--|
| 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   |
| <b>Total Exports</b> |                        | <b>13.4B</b>                           | <b>-11</b>                                 |

<sup>1</sup>This 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,<br>Jan. – Oct. 2020 (\$) | Growth YTD<br>2019 - 2020 <sup>1</sup> (%) |
|----------------------|-------------------------------|--|--|
| 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  |
| <b>Total Imports</b> |                               | <b>24B</b>                             | <b>-5</b>                                  |

<sup>1</sup>This 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,<br>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,<br>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                                 |



# CHAIRMAN'S UPDATE AND DISCUSSION

Melbourne, Australia



**THANK YOU**

Medellin, Colombia