



VIRGINIA TRADE OVERVIEW

OVERVIEW

Virginia's total exports of goods and services shrank to \$26.97 billion in 2009, a 13% decrease over 2008 and the first contraction in eight years. Virginia ranks as the 21st

VIRGINIA AT A GLANCE

Population: 7.77 million
Land Area: 39,598 square miles
Nonfarm Business Establishments: 197,263
Nonfarm Employment: 3,174,363
(U.S. Census Bureau)

largest exporting state in the U.S. The profile of Virginia's exports includes manufactured goods, coal, tobacco, and agricultural products. Service exports encompass education, tourism, engineering, finance, legal, transportation, and marketing. Exports of goods via Virginia in 2009 were valued at \$15.05 billion, while service exports from Virginia were estimated to be worth \$11.92 billion. This Fast Fact focuses primarily on exports of manufactured products. For more information on service exports, see:

[VEDP FastFacts "Exporting Services"](#)



THE IMPACT OF TRADE ON VIRGINIA'S ECONOMY

The impact of international trade activity on Virginia's economy goes beyond the value of the state's total export sales.

- Exports of goods and services directly and indirectly support approximately 300,000 private-sector jobs in the Commonwealth.
- Nearly one-sixth of all manufacturing workers in Virginia depend on exports for their jobs.
- Jobs with companies that export pay an average of 15% more than jobs with companies that only sell domestically. (VEDP)

VIRGINIA EXPORT SECTORS (not including services)

Manufactured goods account for approximately 80% of all Virginia merchandise exports. Mineral fuel (mainly coal) and tobacco exports, valued at \$1.55 billion in 2009, are the next largest contributor to total exports. In third place are agricultural exports, valued at \$1.49 billion in 2009. Agricultural exports via Virginia had the slowest contraction rate in 2009 at -3.94%, compared to manufactured goods (-19.75%) and mineral fuel and tobacco (-34.95%).

MANUFACTURED GOODS

Virginia's manufactured exports were valued at \$11.96 billion in 2009, and are the linchpin of Virginia's export base. The Virginia Economic Development Partnership— Division of International Trade is the state authority charged with promoting Virginia's manufactured goods and services.

- Top exports consist of industrial and electrical machinery, aircraft and spacecraft, vehicles, plastics, and paper products.
- Top export markets for Virginia's manufactured products in 2009 were Canada at \$1.99 billion, China at \$1.02 billion, and the United Kingdom at \$.98 billion.



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MINERAL FUEL AND TOBACCO

Mineral fuel (coal and petroleum products) and tobacco traditionally dominated Virginia's exports, but have been eclipsed by manufactured products in recent years.

- In 2009, Virginia's mineral fuel and tobacco exports contracted 35% to \$1.55 billion. Of this, tobacco exports decreased 11%, while mineral fuel exports were down 45%.
- The Netherlands was the largest export market for Virginia tobacco in 2009, buying \$110.52 million. Over the past five years, Japan has tended to be the top buyer of Virginia tobacco.
- Top markets for mineral fuels from Virginia in 2009 were the Netherlands at \$165.56 million, and Brazil at \$161.62 million.

AGRICULTURAL PRODUCTS

Agricultural products have played an important role in the development of Virginia's exports, and are marketed by the Virginia Department of Agriculture and Consumer Services.

- Virginia's agricultural exports (excluding coal and tobacco) decreased by 4% in 2009, reaching \$1.49 billion. Prior to 2009, Virginia's agriculture exports experienced strong growth for five consecutive years.
- Top export commodities include animal feed (mainly soybean residue), cereals (wheat, corn, and barley), meat (pork and poultry), grain/seed/fruit (soybeans, flour meal, cotton seeds, and peanuts), and fats/oils (mainly soybean oil and fat from pig and poultry).
- Current top consumers of Virginia's agricultural products are Canada, China, Morocco, Indonesia, Venezuela, Egypt, Cuba, Malaysia, Turkey, and Ireland.
- Special provisions by the U.S. Federal Government allow for export of certain agricultural goods to countries that normally face trade sanctions. For this reason, in 2009 Virginia exported a significant volume of agricultural goods to Cuba (\$56.94 million) and Syria (\$9.63 million). The bulk of these exports were soybeans and corn.

TOP EXPORT INDUSTRIES AND COMMODITIES

VIRGINIA'S TOP TEN EXPORT PRODUCT GROUPS 2009		
Product Group	2009 (US\$)	% Change 08/09
Electrical Machinery	\$1,928,952,442	-40.76
Industrial Machinery	\$1,857,221,569	-10.84
Mineral Fuel/Oil (mostly coal)	\$974,969,558	-45.48
Aircraft/Spacecraft	\$848,760,255	-26.82
Plastics	\$839,935,406	-13.38
Paper/Paperboard	\$838,630,097	1.4
Vehicles	\$797,207,151	-29.69
Tobacco	\$620,684,024	-11.07
Pharmaceuticals	\$600,307,970	31.48
Optic/Medical Instruments	\$509,749,368	2.1

(Source for Text and Table: World Trade Atlas)



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TOP EXPORT INDUSTRIES AND COMMODITIES (cont.)

VIRGINIA'S TOP EXPORT COMMODITIES 2009			
Commodity	2009 (US\$)	% Change 08/09	Top Destinations
Integrated Circuits	\$951,994,204	-55.21	Singapore, Taiwan, China
Coal (solid form)	\$928,224,422	-44.86	Netherlands, Brazil, India
Tobacco (unmanufactured)	\$620,162,879	40.08	Netherlands, Switzerland, Germany
Parts for Aircraft/Spacecraft	\$528,538,318	-34.63	UK, Germany, Belgium
Paper- Coated, Bleached	\$510,735,963	5.41	Mexico, China, Japan
Pharmaceuticals	\$503,968,932	41.78	Netherlands, France, Mexico
Artificial Filament Tow	\$353,271,388	13.05	Belgium, China, Indonesia
Vehicle Parts/Accessories	\$299,900,489	-25.45	Canada, Mexico, Afghanistan
Pneumatic Hand Tools	\$290,433,578	-16.95	Germany, Russia, France
Printing Machinery	\$277,086,166	10.05	Canada, Mexico, Brazil

TOP DESTINATIONS FOR VIRGINIA EXPORTS

Virginia exported to 222 countries and territories in 2009. Canada imported \$2.26 billion worth of Virginia goods, ranking number #1 for the thirteenth consecutive year. In fact, Canada purchased more than the 2nd and 3rd buyers combined– China at \$1.18 billion and the UK at \$1 billion.

VIRGINIA TOP TEN EXPORT DESTINATIONS 2009			
Rank	Country	2009 (US\$)	% Change 08/09
1	Canada	\$2,260,668,399	-16.21
2	China	\$1,180,562,239	1.44
3	United Kingdom	\$1,003,315,575	-14.46
4	Germany	\$840,461,347	-12.88
5	Mexico	\$753,082,468	9.86
6	Netherlands	\$642,710,009	7.68
7	Singapore	\$630,655,059	-8.46
8	Brazil	\$482,967,213	-24.37
9	Belgium	\$446,507,573	-36.07
10	Japan	\$439,721,859	-36.74

(Source for Text and Tables: World Trade Atlas)



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TOP REGIONAL BUYERS OF VIRGINIA EXPORTS



Virginia businesses export to every major geographic region of the world.

- Western Europe remains Virginia's top export region. In 2009, Virginia exported \$4.53 billion of goods to this region. Product groups with significant growth came from pharmaceutical products, aluminum, iron and steel, arms and ammunition, and agricultural goods.
- Virginia exports to the Asia Pacific region shrank 12% in 2009 to \$3.49 billion, but certain product groups performed well, including fertilizers, ceramic products, bituminous coal, special woven fabrics, and manmade staple fibers.
- Virginia's exports to NAFTA countries Canada and Mexico in 2009 decreased by 11%. Sales to Canada were down 16% while sales to Mexico were up 10%. The automotive industry dominates trade between Virginia and Canada, while the top export to Mexico is industrial machinery, much of which goes to *maquila* factories along the U.S.-Mexican border.
- Trade between Virginia and Eastern Europe is led by Russia, Poland, and Ukraine. Top Virginia exports to this region in 2009 were commodities, like tobacco, coal, and organic chemicals. Optic/medical instruments and toys and sports equipment were strong performers.
- The Middle East is a diverse market for Virginia exports, with strong sales coming from vehicles, industrial machinery, electrical equipment, military gear, and agricultural commodities. This market decreased its purchases from Virginia by 8% in 2009, but strong sales growth came from passenger motors, industrial pumps/compressors, broadcasting equipment, helicopters, liquid crystal devices, meats and animal feed.
- Exports to South America via Virginia were down 18% in 2009. Top markets were Brazil, Venezuela, Colombia, Chile, and Argentina. With the exception of Chile, whose economy is dominated by mining, this region tends to purchase commodities from Virginia such as coal, soybean oil, and fertilizers. Chile imports significant volumes of mining-related equipment from Virginia manufacturers.
- Exports via Virginia to Central America contracted 13% in 2009, and were dominated by inputs and machinery for the region's strong textile industry.
- Virginia exports to the Caribbean declined 5% in 2009 and were valued at \$251.35 million. Exports to this region were overwhelmingly agricultural products and machinery for the agricultural industry.

(Source for Text: World Trade Atlas)



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VEDP SERVICES

The VEDP offers a number of export-related services to Virginia businesses, including group market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- United States Department of Commerce. Bureau of Economic Analysis: <http://www.bea.gov>
- United States Department of Commerce. International Trade Administration. Manufacturing and Services Unit: <http://www.trade.gov/mas>
- United States Department of Commerce. Office of Trade and Industry Information, Manufacturing and Services. TradeStats Express: <http://tse.export.gov>
- Virginia Department of Agriculture and Consumer Services: <http://www.vdacs.virginia.gov>

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