

# Virginia Exports Are Rising, Thanks To Manufacturing

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RICHMOND, Va. (AP) — Exports of goods and services in Virginia are growing and having a large impact on the state's economy.

Virginia exports increased 8 percent in 2010 to \$29 billion, ranking it as the 22nd-largest exporting state in the U.S., according to recent data from the Virginia Economic Development Partnership's international trade office.

"The weak dollar is a tremendous boost and a tremendous reason why U.S. exports are gaining ground in other markets," said Paul H. Grossman Jr., director of international trade and investment for the office. "As a foreign buyer, they can now buy U.S. products with U.S. quality at anywhere from a 20 to 40 percent discount."

Grossman added that Virginia has received funding for programs to help companies expand exports to emerging nations that have a surging middle class by putting them face-to-face with foreign buyers.

"From small companies to large, if you don't have an international business plan, you run the risk of going out of business," he said.

Virginia has about 6,600 companies in that are involved in international trade, both imports and exports. Of these companies, roughly 5,500 have fewer than 500 employees.

Exports of goods and services directly and indirectly support about 300,000 private-sector jobs, and nearly one-sixth of all manufacturing workers in Virginia depend on exports for their jobs. Economic development officials also said jobs with companies that export pay about 15 percent more than jobs with companies that sell only domestically.

Manufactured goods accounted for about 80 percent of all Virginia merchandise exports, followed by mineral fuel and tobacco, and agricultural exports.

Virginia's top commodity in 2010 was integrated circuits, which increased 36 percent to nearly \$1.3 billion last year. Coal was the second-largest export valued at \$989 million, followed by parts for aircraft or spacecraft, paper, pharmaceuticals, soybeans and printing machinery.

Exports of tobacco, a long-time staple of the Virginia economic landscape, decreased more than 44 percent last year to \$345 million as international tobacco companies have shifted their use of U.S. leaf to a growing overseas market.

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Exports of Virginia services, which totaled \$11.92 billion in 2010, include business, professional and technical services; travel; financial services; transportation; and royalties and licensing fees.

For the 14th consecutive year, Canada topped the list of destinations for Virginia exports, importing more than \$2.87 billion worth of goods. China was second on the list in 2010, importing more than \$1.27 billion in Virginia goods. Exports to Singapore, which was third with nearly \$1.04 billion, increased more than 65 percent last year compared with 2009.

Among the top 10 destinations for Virginia exports, Netherlands saw the largest decrease of 29 percent, but exports to the country still totaled more than \$454 million in 2010.

Exports had been increasing before the Great Recession, but Virginia saw a significant decline in 2008 and 2009.

"We've rebounded quite nicely," Grossman said, adding that continued funding and support for programs are vital to sustaining and growing Virginia trade.

On a national level, President Barack Obama announced a plan last year to double exports over the next five years, supporting 2 million American jobs.

As part of that plan, the administration launched a national export initiative to help farmers and small businesses who want to sell their goods abroad. It also has focused on reforming export control laws that stifle sales of technology that might have military uses, and pushing both international and bilateral free trade agreements.

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