

International Trade

1

Published:

January 15, 2020

Prepared by:

Tim Tierney

*Director of International Trade,
Agency of Commerce and
Community Development;
Department of Economic
Development*

tim.tierney@vermont.gov
802-505-5496

From:

Lindsay Kurrle

*Secretary
Agency of Commerce and
Community Development
Lindsay.kurrle@vermont.gov
802-522-0493*

Joan Goldstein

*Commissioner,
Agency of Commerce and
Community Development;
Department of Economic
Development
Joan.goldstein@vermont.gov
802-272-2399*

This document will highlight the programs and initiatives between Vermont and foreign nations that further bi-lateral economic trade, foreign direct investment, and cultural exchange.



EXECUTIVE SUMMARY

This report has been compiled as directed from Vermont State General Assembly ACT 80-June 2019. (Bill H.533)

Sec. 14. AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT; REPORT

On or before January 15, 2020, the Secretary of Commerce and Community Development shall report to the House Committees on Commerce and Economic Development and Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and Appropriations concerning how best to collaborate with regional partners and form formal partnerships that will promote international trade, as well as educational and cultural exchanges, between and among Vermont, the New England states, and foreign nations.

Importance of International Trade & Exchange

The Vermont Department of Economic Development facilitates international trade, foreign direct investment, and cultural exchange and is connected to many global regions and countries. International trade and foreign direct investment are integral components of the state's economic development strategies and major contributors to Vermont's economy overall. Through the bi-lateral transactions there is the creation of direct and indirect jobs. Moreover, firms that export pay 15-20 percent higher wages on average than their non-exporting competitors.ⁱ Through building relationships around the globe and providing assistance to Vermont companies to expand or enter new markets in an informed manner, The Vermont Department of Economic Development (DED) is committed to keeping the exchange of products, ideas, and culture a high priority. To remain competitive and foster enterprise in Vermont it is paramount that DED continues to collaborate with a myriad of entities. This collaboration will foster mutually beneficial economic and cultural relationships with foreign nations, and importantly for the health and wealth of Vermonters.

- **21% of Vermont's Gross Domestic Product** is a result of international trade with \$6.5 billion of exports and imports in 2019.ⁱⁱ
- **Foreign direct investment** is also crucial to the Vermont economy as over **10,100 jobs** are directly attributed to majority-owned foreign-owned affiliates.ⁱⁱⁱ
- A total of **1,870 international students** enrolled in Vermont colleges and universities in EY 2017-18, which represents a 6% increase from the previous year, and a 40% increase over the past five years. Between 2012 and 2017, the University of Vermont enrolled the greatest number of international students. Vermont's economy received a total of **\$88 million** from this international enrollment in 2017-18.^{iv}
- **Canada ranks 1st** as a destination for Vermont merchandise exports with the province of Quebec receiving 75% share of our exports^v
- 27,600 Vermont jobs were supported by **bi-lateral trade with Canada and Mexico** in 2017. A 79% share of imports from Canada and Mexico are used as inputs by Vermont producers. And, 97% of Vermont's engineered wood products and converted paper products are exported to Canada and Mexico.^{vi}

INTERNATIONAL TRADE

Expanding International Trade

Developing and stewarding relationships within sectors, nations and associations is one of the principal tasks of DED's International Trade efforts. Vermont is a small state which means that our consumers offer a very limited local market. International trade magnifies the economies of scale that our businesses enjoy and helps to make them more competitive on a national and international stage. This is a wide-ranging effort in which we work both with Vermont exporters, principally to help them to expand their international sales, but also with importers often providing assistance in understanding legal and regulatory complexities.

Developing Partnerships to Increase Trade

International Trade is a complex subject. To broaden our services, DED Vermont Department of Economic Development works alongside many partners. The table below enumerates the entities which DED most frequently collaborates with regarding foreign direct investment, market expansion as well as cultural exchanges.

Trade Association/Partner	Type	Location (s)
<p>Government of Canada – Canadian Consulate Canada is the top trading partner with Vermont. DED deals directly with Consulates General offices in Boston and Ottawa. DED coordinates with these offices when leading trade missions to Canada.</p>	Government	Boston – Ottawa – Quebec City
<p>U.S. Commercial Service Foreign Offices The trade promotion arm of the U.S. Department of Commerce International Trade Administration with offices in 75 countries. DED attends events to keep in the communication with these offices especially in Canada, Mexico, Germany, United Kingdom, Ireland, Poland, Japan, Argentina, and Taiwan. FDI recruitment leads are often sourced from them.</p> <p>SelectUSA is a U.S. Commerce event program for foreign direct investment. DED staff meets with foreign companies' prospects at these events that are held in Toronto, Montreal and Washington D.C. Four FDI prospects were cultivated at the SelectUSA- Montreal event in December 2019.</p>	Government	Global (Canada – Asia – EU)
<p>U.S. Commercial Service* DED works on daily basis with the U.S.C.S. office in Montpelier assisting companies with export related functions as well as helping them enter new markets. DED finances Gold Key services that makes in-country introductions between Vermont companies and foreign distributors and buyers. The Vermont representative of the U.S. Commercial Service helps DED with trade mission recruitment.</p>	Government	Montpelier – Boston – Montreal

Trade Association/Partner	Type	Location (s)
<p>Small Business Administration – (SBA)* DED receives federal grant monies (STEP) from SBA to distribute to Vermont companies to expand their business reach and markets. Vermont DED administers the selection, reporting and fulfillment.</p>	Government	Vermont – Washington, D.C.
<p>Quebec Provincial Government DED maintains weekly communication with this office regarding bi-lateral trade, events, missions and sector specific conferences within Vermont and Quebec. Vermont DED and the Quebec Provincial Economic Development team co-coordinated a Quebec reverse trade mission that brought 30 Quebec companies to Vermont. DED also attended a Medtech conference in Boston with Quebec companies.</p>	Government	Quebec City – Montreal
<p>Council of State Governments – Eastern Trade Council The Council of State Governments works with Vermont Legislators on many topics including trade. DED is a member of the Eastern Trade Council which provides a data research/market research platform. CSG helps with trade policy advocacy. The Eastern Trade Council hosts working travel workshops in countries to highlight best management practices. In 2019, CSG invited DED staff to learn about the German workforce development strategies.</p>	ORG	New York – New England – Mid-Atlantic
<p>State International Development Organization Vermont is an active member in SIDO, who acts as an advocate regarding federal export grant funding and offers State’s professional development and best practices management through training and seminars.</p>	NPO	Washington, D.C.
<p>Vermont Manufacturing Extension Center* Another leading partner that DED co-coordinates the ExporTech program which is a structured export strategy development process. DED helps recruit and promote the program. DED awards grants to eligible businesses to attend ExporTech.</p>	NPO	Vermont
<p>Vermont Chamber of Commerce* A major international trade partner with DED especially in the aerospace and advanced manufacturing sectors. DED directly collaborates and supports VCC’s annual manufacturing summit and the VCC assists DED with recruiting Vermont firms for Aerospace conferences in Montreal.</p>	NPO	Montpelier
<p>Federation of Quebec Chambers (FCCQ) DED works with Quebec’s largest business association to leverage Vermont companies’ exposure in Quebec as well as facilitating cross border B2B events that promote bi-lateral trade and cultural exchange.</p>	NPO	Quebec Province
<p>Quebec Minister of Commerce and Innovation DED conducted monthly check-ins with mirror agency in Quebec for opportunities for mutual exchange.</p>	Government	Quebec City

Trade Association/Partner	Type	Location (s)
Japan External Trade Organization DED maintains a working communication for Vermont brands with an existing presence or looking to the Japanese market.	ORG	New York
National Committee on U.S.-China Relations DED attends U.S.-China Subnational Symposium to stay abreast of trade agreements and proper channels to create trade with China.	ORG	Washington, D.C.
Vermont Agency of Agriculture, Farms and Markets* DED and AAFM Market Development Division co-facilitate several trade shows highlighting Vermont Specialty Foods & Beverages.	Government	Montpelier
Vermont Regional Development Corporations The RDC's often serve as the frontline or first contact with foreign companies looking for site locations in their specific regions through referrals from DED.	ORG	Vermont
Taipei Trade Office A frequent visitor to Vermont looking to grow their region's impact in Vermont and finding markets for Vermont goods.	ORG	Boston
Vermont Council on World Affairs* DED hosts foreign delegations per request of VCWA.	NPO	Burlington
U.S. Chamber of Commerce DED interacts with the International Affairs Division which advocates for competitive markets and rules-based trade on behalf of Vermont businesses.	ORG	Washington, D.C.
Prefecture of Totorri, Japan Official Vermont Sister State- DED meets with Vermont high schools involved with student exchange. DED hosted delegations of students and officials from Totorri which is a region similar to Vermont with agriculture, forestry and outdoor recreation the biggest part of their economy.	Government	Japan
Korea WEST Internship Program provides top South Korean university students and young professionals the opportunity to intern, complete an intensive English study program, and explore the culture of the Vermont through immersion and targeted work plans. Currently, 3 Korea WEST interns are working in ACCD.	NPO	Korea – Seattle
Coalition of New England Companies for Trade (CONNECT) Vermont DED is an active member for organization with over 1200 members including major exporters, importers, and service providers.	NPO	New England
National Governors Association Center for Best Practices DED looks to NGA to provide information, research, policy analysis, technical assistance and resource development regarding international trade.	ORG	Washington, D.C.

* Members of The Vermont International Trade Alliance (VITA) which is comprised of entities and organizations that provide resources and/or assistance to Vermont businesses that either export and/or import.

Facilitating Exports

Vermont products are sold to all points of the globe whether in the form of a microchip or tortilla chip. In 2018, Vermont exported \$2.9 billion of manufactured products representing 8.7% of Vermont's GDP.^{vii} In addition, 22.6% of our exports were generated by small and medium sized firms.^{viii} Vermont exports of manufactured products supported an estimated **11 thousand jobs** in 2016. The state's largest manufacturing export category is computer & electronic products, which accounted for \$1.9 billion of Vermont's total goods exports in 2018.^{ix}

VERMONT TOP 25 EXPORT COUNTRIES

Rank	Codes	Description	Annual 2016	Annual 2017	Annual 2018	November 2018 YTD	November 2019 YTD
		TOTAL ALL PARTNER COUNTRIES	2,993,069,911	2,776,473,582	2,919,968,390	2,672,860,151	2,778,153,355
1	CAN	Canada	1,188,277,384	1,071,442,238	1,269,891,556	1,178,494,821	1,089,674,436
2	TWN	Taiwan	95,769,517	132,002,419	194,557,382	168,561,070	337,150,003
3	HKG	Hong Kong	352,377,637	259,943,541	262,012,896	232,337,673	196,416,135
4	KOR	Korea, Republic Of	153,277,904	174,363,081	185,958,095	170,599,436	178,990,380
5	CHN	China	176,262,040	201,880,989	168,139,209	154,671,478	173,145,482
6	MYS	Malaysia	192,573,760	173,232,929	154,518,047	142,539,534	99,720,804
7	GBR	United Kingdom	73,039,524	79,544,660	87,575,580	77,029,777	86,818,185
8	DEU	Germany	71,485,413	70,196,895	77,064,729	70,142,707	85,195,850
9	NLD	Netherlands	114,198,623	84,880,635	65,807,438	56,890,155	81,054,141
10	JPN	Japan	56,822,027	66,500,400	37,217,151	34,120,479	58,122,260
11	SGP	Singapore	47,645,769	27,389,054	25,307,104	23,967,632	46,242,943
12	MEX	Mexico	127,881,482	83,143,460	45,512,747	42,626,583	43,857,550
13	FRA	France	40,543,761	66,544,566	51,744,587	48,431,840	43,166,668
14	BEL	Belgium	20,581,628	19,956,336	21,946,103	20,166,810	21,455,327
15	EST	Estonia	711,652	1,216,907	5,828,639	5,009,455	20,074,144
16	THA	Thailand	52,249,774	44,539,723	39,406,426	37,977,012	18,733,882
17	AUS	Australia	14,672,408	14,171,876	16,865,826	15,839,700	14,838,459
18	IRL	Ireland	13,736,412	14,707,959	18,137,897	16,842,053	13,904,337
19	ISR	Israel	12,357,279	12,830,141	14,644,614	13,502,450	12,493,904
20	IND	India	9,722,213	12,770,636	12,766,028	12,301,694	10,801,314
21	DOM	Dominican Republic	3,868,881	11,363,623	12,442,862	11,858,245	9,933,532
22	CHE	Switzerland	11,771,841	10,274,749	8,442,670	7,458,678	9,556,978
23	ARE	United Arab Emirates	35,428,747	11,023,639	9,695,231	8,732,120	9,067,930
24	ITA	Italy	15,801,204	20,918,402	9,792,329	7,941,094	8,973,246
25	ESP	Spain	8,667,337	12,240,377	9,285,376	8,939,271	8,637,454

The data and report platform that generated this report is made available through Vermont DED membership subscription with the Eastern Trade Council. [WISERTrade](http://www.wisertrade.org): State HS Database; Source: <http://www.wisertrade.org>, data from U.S. Census Bureau Foreign, Trade Division.

The following export products represented the highest dollar value in Vermont global shipments during 2018. Also shown is the percentage share each export category represents in terms of overall exports from Vermont.

1. Integrated circuits (processors/controllers); US\$1.1 billion (37% of Vermont's total exports)
2. Integrated circuits (excluding processors/controllers): \$538 million (18.4%)
3. Physical exercise equipment: \$79 million (2.7%)
4. Integrated circuits (amplifiers): \$61 million (2.1%)
5. Aircraft including engines, parts: \$57 million (2%)
6. Paper, paperboard: \$44 million (1.5%)
7. Machinery to work rubber or plastics: \$43 million (1.5%)
8. Optical radiation measurement apparatus: \$37 million (1.3%)
9. Chemical elements used in electronics: \$28 million (1%)
10. Miscellaneous plastic articles: \$24 million (0.8%)

Vermont's top 10 exports accounted for over two-thirds (68.9%) of the overall value of the state's global shipments. ^x

DED works closely with the Vermont Agency of Agriculture, Farms & Markets (AAFM) and the United States Department of Agriculture (USDA) to assist Vermont companies in the specialty food & beverage and value-added products sectors. DED and AAFM brought 5 distillers and a brewer to the National Restaurant & Bar Show in Chicago in 2019. DED International Trade staff are members of the Working Lands Enterprise Board and the Forestry Products Marketing Team to assist these sector's enterprises.

Providing Export Assistance

STATE TRADE EXPANSION PROGRAM (STEP)

Vermont's Department of Economic Development has successfully applied for and received 8 consecutive awards from the Federal Small Business Administration to coordinate a granting award process to help Vermont businesses to engage internationally through trade missions, trade shows and export training.

In 2019, STEP awarded \$477,289 to 50 Vermont Businesses with a projected export sales total of \$12.2 million. Companies attended tradeshow in Canada, England, Germany, India and Argentina, as well as U.S. with global reach.

The State Led Trade Missions were conducted to Montreal and Sherbrooke, Quebec resulting in 2 Canadian companies establishing new operations in Vermont.

The State Led Trade Pavilions, in which DED brings multiple companies in a sector to a show under the Vermont banner. DED attended Aerospace, Specialty Food & Beverage and Outdoor Recreation Trade Shows resulting in new market expansion for the participating firms.

"STEP grant funding allows Bee's Wrap to expand one of our most rapidly growing customer segments—international markets.

the STEP grant will allow Bee's Wrap to create more jobs and economic stability in Vermont, particularly Addison County."

Emily Gaynor,
Business Manager,
Bee's Wrap

Providing Export Training

“ExporTech certainly gave us confidence to sell our products outside the United States and information for the best way to do it. In addition to the US and Canada, we now sell to the UK, France, Germany, Poland, Czechoslovakia, Spain, Italy, Japan, United Arab Emirates, and Australia. It also connected us with other Vermont companies trying to grow and expand into other markets. International sales were \$300,000 in 2018 and we expect that will more than double in 2019.”

**Kevin Coleman,
CFO, Ann Clark
Cookie Cutters**

EXPORTECH is DED’s principal export training program. It is an immersive program designed to build a company’s market/export plan. Funded through the STEP program and coordinated by VMEC and utilizing all the partners in the Vermont International Trade Alliance. In addition to VMEC, the primary ExporTech planning partners include the U.S. Commercial Service, FedEx, the Vermont Training Program, as well as the Vermont Small Business Development Center. The ExporTech program series involves an innovative combination of three (3) one-day group workshop sessions conducted over a three-month period led by content experts, plus individualized company coaching between each workshop. The program helps each company/enterprise develop a peer-reviewed international sales growth plan. The sales growth plan is usually completed in just 12 weeks with local coaching support. Participating businesses can quickly move from planning to closing sales. On average, participants have generated \$770,000 in new sales and many companies have begun generating profitable sales within 6 months.^{xi}

Companies who have successfully completed the ExporTech Program since 2014

- **WINTER/SPRING 2014:** Agri-Mark/Cabot Creamery, Liquid Measurement Systems, Superior Technical Ceramics, Trow and Holden, Vermont Precision Tools, VT Teddy Bear
- **FALL 2014:** HearthStone, LEDdynamics, Manufacturing Solutions, Newport Furniture Parts, Numia Medical Technology LLC, Turtle Fur Company, VT Natural Coatings, Way Out Wax
- **SPRING/SUMMER 2015:** Country Home Products, Hayward Tyler, Norwich University Applied Research Institutes
- **WINTER/SPRING 2016:** Caledonia Spirits Inc., Newmont Slate Company Inc., Semiprobe Inc.
- **WINTER/SPRING 2017:** Ann Clark Ltd., Bike Track Inc., Cabot Hosiery Mills Inc./Darn Tough, Green Mountain Antibodies, Hubbardton Forge, Ogee Inc.
- **WINTER/SPRING 2018:** Mamava, Northern Reliability, Skida, VT Smoke and Cure

In addition to ExporTech, DED also coordinates additional training workshops in coordination with the U.S. Commercial Service and the Vermont Procurement Technical Assistance Center (PTAC) utilizing international business consultants under retainer. Topics include compliance training in ITAR (International Traffic in Arms), shipping, customs and Incoterms requirements (International Chamber of Commerce terms of trade).

Providing Technical Assistance

DED Maintains a group of technical advisors on retainer that provide Vermont businesses with assistance on a variety of export and import issues, ranging from tariff and duty questions to questions related to Customs and shipping compliance. In 2019, these experts advised a metal fabrication company in Milton on export licensing requirements; a firm in Newport regarding the Goods and Services Tax (GST) on sales into Canada; and assisted a Burlington equipment dealer with Delivery and Shipment terms (DDP) for a transaction to Quebec.

Collecting Trade Information

DED collects information on trade and trade impacts. During 2019, we polled Vermont businesses several times to learn the impacts of trade-related Federal policies. We did this in conjunction with the negotiations on the USMCA and imposition of new tariffs as a result of the US/China trade dispute. DED forwarded tariff impact information to the Vermont Congressional delegation.



Assisting Imports

Importing goods brings new products to the local economy and makes it possible to build products locally. Jobs are created and products are enhanced through sourcing outside the U.S. The Vermont Department of Economic Development ties companies to legal and compliance resource experts as needed. This year the U.S. – China Trade war had an impact on several Vermont companies, especially firms using steel/aluminum in their production. We have provided information to the Administration and Congressional Delegation on the North American Free Trade Agreement (NAFTA), now the United States Mexico Canada Agreement (USMCA), which awaits final confirmation.

TOP 25 IMPORT COUNTRIES TO VERMONT

Rank	Codes	Description	Annual 2016	Annual 2017	Annual 2018	November 2018 YTD	November 2019 YTD
		TOTAL ALL PARTNER COUNTRIES	3,703,468,556	3,590,201,215	3,449,034,835	3,175,167,281	3,678,299,125
1	CAN	Canada	2,559,352,019	2,321,758,359	2,281,216,516	2,094,457,948	2,503,373,892
2	CHN	China	248,121,565	262,136,854	248,590,991	234,036,741	202,412,213
3	FRA	France	118,647,947	158,958,983	134,344,994	119,311,912	114,712,235
4	VNM	Vietnam	62,045,241	74,792,407	86,555,221	81,506,382	83,726,446
5	TWN	Taiwan	39,958,644	45,673,895	56,101,624	47,653,573	79,553,698
6	IND	India	59,249,665	70,684,553	73,559,727	68,566,308	73,992,524
7	DEU	Germany	54,527,840	71,681,373	59,229,132	54,202,286	70,160,505
8	MEX	Mexico	42,834,551	52,301,915	51,461,061	47,987,039	58,541,571
9	IDN	Indonesia	45,476,964	53,679,669	36,422,358	35,945,505	58,087,411
10	KOR	Korea, Republic Of	28,445,911	17,354,832	17,981,549	16,938,429	54,446,887
11	GBR	United Kingdom	42,821,126	39,927,967	38,022,049	35,209,876	38,421,841
12	JPN	Japan	85,417,705	105,374,376	36,046,022	34,471,876	32,013,830
13	ITA	Italy	25,856,540	27,783,044	30,755,890	28,639,809	26,766,525
14	RUS	Russia	36,555,865	22,305,825	27,671,084	24,781,025	24,626,859
15	COL	Colombia	18,933,319	25,040,817	27,698,365	25,660,029	19,105,559
16	MYS	Malaysia	10,508,073	25,865,731	26,847,473	25,440,197	13,513,632
17	PHL	Philippines	3,295,745	6,612,226	7,989,337	7,112,824	13,327,067
18	ESP	Spain	13,047,340	14,502,790	15,290,537	14,375,586	12,637,312
19	AUT	Austria	9,087,060	9,527,299	12,171,004	10,814,472	12,241,155
20	ROU	Romania	4,520,360	5,164,804	10,232,002	9,407,846	12,122,208
21	BRA	Brazil	13,837,909	12,295,837	11,582,309	10,623,587	11,361,997
22	CHE	Switzerland	16,653,605	11,832,070	11,714,624	10,359,937	10,680,150
23	JOR	Jordan	5,000	0	3,180,584	2,441,380	10,626,504
24	DNK	Denmark	12,067,078	9,087,972	11,893,782	11,201,060	9,960,418
25	NLD	Netherlands	6,596,028	14,853,291	11,356,374	11,001,565	9,549,430

Source: <http://www.wisertrade.org>, data from U.S. Census Bureau Foreign, Trade Division.

FOREIGN DIRECT INVESTMENT

"I personally want to thank Governor Scott and the Vermont Department of Economic Development, as well as NVDA for all their support in helping us establish ourselves in the Northeast Kingdom. In Vermont, we have found quality employees as well as professional fabrication partners in a favorable business environment. We are very proud to call Vermont our home. We look ahead to a bright future here for MITI Co."

JP Lariviere,
Owner, MITI Company
 (now located in St. Johnsbury)

DED works to recruit out-of-state businesses interested in establishing operations in Vermont. These new operations are highly beneficial to the economy as these new businesses employ Vermonters, invest new capital in the state and increase economic activity. DED has developed a strategy and action plan to identify, engage, inform, and recruit out-of-state/country investment into Vermont. The State of Vermont Strategic Plan states:

"We will grow Vermont's economy by focusing on expanding existing businesses, recruiting new employers and expanding our labor force, resulting in increased economic opportunity, more jobs, higher K-12 school enrollment and growth in state revenues."

Vermont can grow its own business and industry yet bringing in outside investment not only enhances the state's business climate, it fosters a quicker means to job creation, new and established market capability, as well as increase the tax base. FDI contributes to 4.2% of Vermont's total employment with 23% of these jobs are in the manufacturing sector.^{xii}

We work on opportunities from around the world, however, we focus our limited resources on outreach activities on areas where we have found the greatest likelihood of success. This means a principal focus on companies in Eastern Canada, particularly the province of Quebec, with some attention to the countries of Northern Europe and to a lesser extent the countries of Japan, China and Korea in Asia.

DED receives inquiries from businesses in a wide range of industry sectors, however, the majority of the businesses that locate in Vermont are smaller, privately-held, manufacturing firms that are interested ultimately interested in establishing a manufacturing presence in the US, but often start-out with a sales and distribution location in Vermont on which they build.

DED has also participated in several business recruitment events organized by the US Department of Commerce through its' SelectUSA program. In the last year and a half, we have attended SelectUSA Canada recruitment events in Toronto and Montreal, as well as, the annual worldwide SelectUSA events in the Washington, D.C. area.

In 2019, DED organized several significant recruitment events for Quebec businesses. In the first, we hosted a reverse trade mission in which 30 businesses from the Sherbrooke Region of Quebec visited the state. During this trip, the Canadian business people heard presentations from Vermont experts in commercial

real estate, law, accounting and tax and immigration to help them with the process of locating in Vermont. In other events, DED coordinated trips in which Vermont companies and Government officials traveled to meet directly with Quebec industry businesses looking to expand into the U.S. Market.

DED often maximizes our resources by attending events at which we are able to combine our trade development efforts with business recruitment. In these instances, we lead a contingent of Vermont businesses attending a sector specific trade show while also talking to recruitment prospects at the same event. This strategy focuses our attention on targeted tradeshow and highlights our State's stable and growing sectors such as: Aviation/aerospace, advanced manufacturing, renewable energy, specialty food and beverage, outdoor recreation, and tourism.

It is not commonly understood that Vermont is home to many businesses owned by parent companies located around the world. The following is a list that illustrates this diverse group:

List of majority foreign-owned Companies currently in Vermont [list compiled by DED]

Foreign Parent Company	Vermont Company	Industry	Country of Origin	Flag	Vermont Location
3C Tae Yang Co., Ltd.	MicroWire Transmission Systems	Advanced Manufacturing	South Korea		Essex Junction
Aon PLC	Aon Insurance Managers	Insurance	United Kingdom		Burlington
Advanced Technology Investment Co.	Global Foundries	Advanced Manufacturing	United Arab Emirates		Essex Junction
Air Liquide	Air Liquide USA/Airgas	Advanced Manufacturing	France		Essex Junction
Appalachian Flooring	Appalachian Engineered Flooring	Advanced Manufacturing	Canada		North Troy
Bariatric Canada	Bariatric Nutrition	Health and Beauty	Canada		Milton
Bogner	Bogner of America, Inc.	Consumer Retail	Germany		Williston
Bosch	Bosch Thermotechnology	Advanced Manufacturing	Germany		Williston
Calko Group	Green Mountain Knitting	Advanced Manufacturing	Canada		Milton
Composites BHS, Inc.	BHS Composites	Advanced Manufacturing	Canada		St. Johnsbury
CRH	Pike Industries Inc.	Construction	Ireland		9 locations
Ehrmann AG	Ehrmann Commonwealth Dairy	Agriculture	Germany		Battleboro
Enel Green Power	Sheldon Springs Hydroelectric Plant	Renewable Energy	Italy		Sheldon
Geiger of Austria	Geiger of Austria	Consumer Retail	Austria		Middlebury
Gilbert Products	Gilbert	Advanced Manufacturing	Canada		Lyndonville

Husky Injection Molding Systems	Husky Injection Molding Systems	Advanced Manufacturing	Canada		Milton
Imerys	Imerys Talc	Mining	France		Ludlow
InterContinental Hotels Group	Holiday Inn	Lodging and Resorts	United Kingdom		5 locations
JAB Holding Co.	Keurig	Food and Beverage	Germany		Waterbury
Jardine Lloyd Thompson PLC	JLT Insurance Management	Insurance	United Kingdom		Burlington
Johnson Controls	F.W. Webb	Consumer Retail	Ireland		10 locations
LafargeHolcim	Brattleboro Bridge	Infrastructure	Switzerland		Brattleboro
Louis Garneau	Louis Garneau USA	Consumer Retail	Canada		Derby
Mammut Sports Group	Mammut Sports Group	Consumer Retail	Switzerland		Williston
Nokian	Nokian Tyres	Advanced Manufacturing	Finland		Colchester
NSK Steering Systems	NSK Steering Systems America	Advanced Manufacturing	Japan		Bennington
Omya	Omya	Mining	Switzerland		Pittsford
Pearson Inc.	Pearson Professional Center	Education	United Kingdom		South Burlington
Peerless Clothing	Peerless Clothing Warehouse	Consumer Retail	Canada		St. Albans
Perrigo	Perrigo	Biotechnology	Ireland		Milton
Pratiko	Pratiko	Advanced Manufacturing	Canada		Lyndonville
Revision Military	Revision Military	Advanced Manufacturing	Canada		Essex Junction
Rolls-Royce	Rolls-Royce North America	Advanced Manufacturing	United Kingdom		Brattleboro
Sodexo	Sodexo	Food and Beverage	France		Northfield
UBS	UBS	Financial Services	Switzerland		Rutland
Unilever	Seventh Generation	Green Business	Netherlands		Burlington
Unilever	Unilever Offices	Professional Services	Netherlands		Burlington
Unilever	Ben & Jerry's	Food and Beverage	Netherlands		Waterbury
Weidmann Electrical Technology	Weidmann Electrical Technology	Advanced Manufacturing	Switzerland		St. Johnsbury
Zurich Insurance Group	Crowley's Insurance	Insurance	Switzerland		Burlington

Foreign owned Companies that expanded their operations into Vermont in 2019

Miti Manufacturing	Mitico	Manufacturing	Canada		St. Johnsbury
iSun Energy	iSun	Renewable Energy	Canada		Williston
Theo Decor	Theo Decor	Consumer Retail	Canada		Newport

CULTURAL AND EDUCATIONAL EXCHANGE

Cultural exchange broadens our global awareness, empowers us with intercultural connections, and provides a lifelong connection to the international community. As our world becomes more connected, international cooperation and understanding are facilitated for both individuals and governments seeking successful diplomatic connections and global perspective.

Since 2018, the Vermont Department of Economic has been involved in cultural exchanges, sister-state relationships, and the sharing of economic development practices with foreign missions.

As a result, we have placed five J-1 Visa interns through the Korea-West Program in positions with Agency of Commerce and Community Development. The Korean citizen interns are interviewed and placed in the appropriate department with the Agency for 4 to 8-month periods. DED has also been working with the Green Across the World organization to help facilitate greater communication between the Tottori Prefecture of Japan, which is an official Sister State of Vermont. The Vermont Council on World Affairs regularly brings contingents of foreign representatives to Montpelier to learn about Vermont's economic development programs. In 2019 DED hosted visiting delegations from Japan, Bhutan, Taipei, India and Angola.

Our colleges and universities attract students and teachers from around the world which bring a rich cultural and economic benefit to Vermont. There are many cultural exchange programs and international students in Vermont, as well as Vermont students studying abroad. Vermont high schools with boarding programs such as Vermont Academy, Saint Johnsbury Academy, Lyndon Institute and various sport specific academies enroll students sent from around the world with particularly large numbers from Asia, Africa, South America and Europe. ^{xiii}

INSTITUTIONS WITH THE HIGHEST NUMBER OF INTERNATIONAL STUDENTS

Institution	City	Total
University of Vermont	Burlington	885
Middlebury College	Middlebury	301
Bennington College	Bennington	152
Saint Michael's College	Colchester	112
Norwich University	Northfield	82

AMERICAN STUDENTS ABROAD

Study Abroad	2016/17	2017/18
Total Number of U.S. Students Studying Abroad for Academic Credit	1,932	2,029

CONCLUSION

As discussed above, The State of Vermont's Department of Economic Development actively pursues the tasks of expanding international trade; generating foreign direct investment and promoting cultural and educational exchanges. We are able to be successful as a result of the large number and wide range of partners that we work with. Each partner brings their own specific skills and capabilities to the task.

Fostering, encouraging, and growing international trade, is paramount to the future well-being of Vermont. By helping to grow our businesses, DED generates economic growth, job creation, technological progress, economic efficiency as well as increasing market access for Vermont companies and consumers. Not only does international trade create greater access to goods and improve the quality of life, it fosters peace and goodwill through mutual understanding, learning and interdependence.

By fostering foreign direct investment, DED brings business investment to Vermont. This investment generates both jobs and related economic activity. The jobs are a combination of the direct jobs that result for working in the investing business, but also the indirect jobs that result from the business – and its' employees making purchases in the local community. The increased economic activity also likely includes technological investments in Vermont, as well as, training for the local workforce.

DED continues to maintain and build the relationships in this global realm that further Vermont's economic and cultural health. Through quality programming and providing impactful resources, DED ensures that the exchange of goods, services, and ideas flowing across our border will serve the betterment of Vermonters. It is crucial that Vermont focuses energy and committed assets towards the furtherance of our state's promotion, partnerships, and exchanges.

DED's activities include both direct and in indirect activities. Our direct actions include leading investment missions in targeted countries and providing incentives and other opportunities for firms deciding between locating operations in Vermont and other states. Indirect actions include building diplomatic ties; attending and hosting conferences, trade shows, presentations, and other events; and maintaining a cooperative network of economic development officials, government officials, trade associations, universities, and other agencies across the state. While direct actions are specifically taken to solicit firms to consider investment in Vermont, indirect actions focus on building widespread awareness and connections, which may lead to investment in the future.

We are pleased to submit this report highlighting our activities in the international arena and we look forward to expanding this work in the years to come.

LIST OF SOURCES USED FOR THIS REPORT

- i **Office of the United States Trade Representative**
<https://ustr.gov/map/state-benefits/vt>
- ii **United States Census Bureau**
<https://www.census.gov/foreign-trade/statistics/state/data/vt.html>
- International Trade Administration**
<https://www.trade.gov/>
- iii **United States State Trade** (Export.gov)
<https://www.export.gov/State-Trade-Data>
- iv **New England Board of Higher Education**
<https://nebhe.org/policy-research/policy-analysis-research-home/reports-analysis/>
- v **World Institute for Strategic Economic Research**
(DED subscription through Eastern Trade Council)
- vi **Business Roundtable**
<https://www.businessroundtable.org/policy-perspectives/trade-international/trade-with-canada-and-mexico>
- vii **Office of the United States Trade Representative**
<https://ustr.gov/map/state-benefits/vt>
- viii **Office of the United States Trade Representative**
<https://ustr.gov/map/state-benefits/vt>
- ix **SelectUSA**
<https://www.selectusa.gov/state-fact-sheet/Vermont>
- x **U.S. Global Leadership Coalition**
<https://www.usglc.org/state-facts/vermont/>
- xi **Vermont Manufacturing Extension Center**
<https://www.vmec.org/event/exportech-spring-2020/>
- xii **State International Development Organization (SIDO)**
<https://www.sidoamerica.org/state-trade-directory/>
- xiii **Institute of International Education**
<https://www.iae.org/Why-IIE/Impact>
- Council of State Governments- Eastern Trade Council**
<https://www.csg-erc.org/>