



# Virginia in the Global Economy: Current Trends and Outlook

Virginia International Business Council - February 27, 2013



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Vice President, Regional Research

# Overview

## I. National Economic Trends

## II. Virginia Economic Trends

## III. Global Trends

- How important is the rest of the world to the US?
- Which countries or regions matter most?
- Importance of trade to Virginia's economy

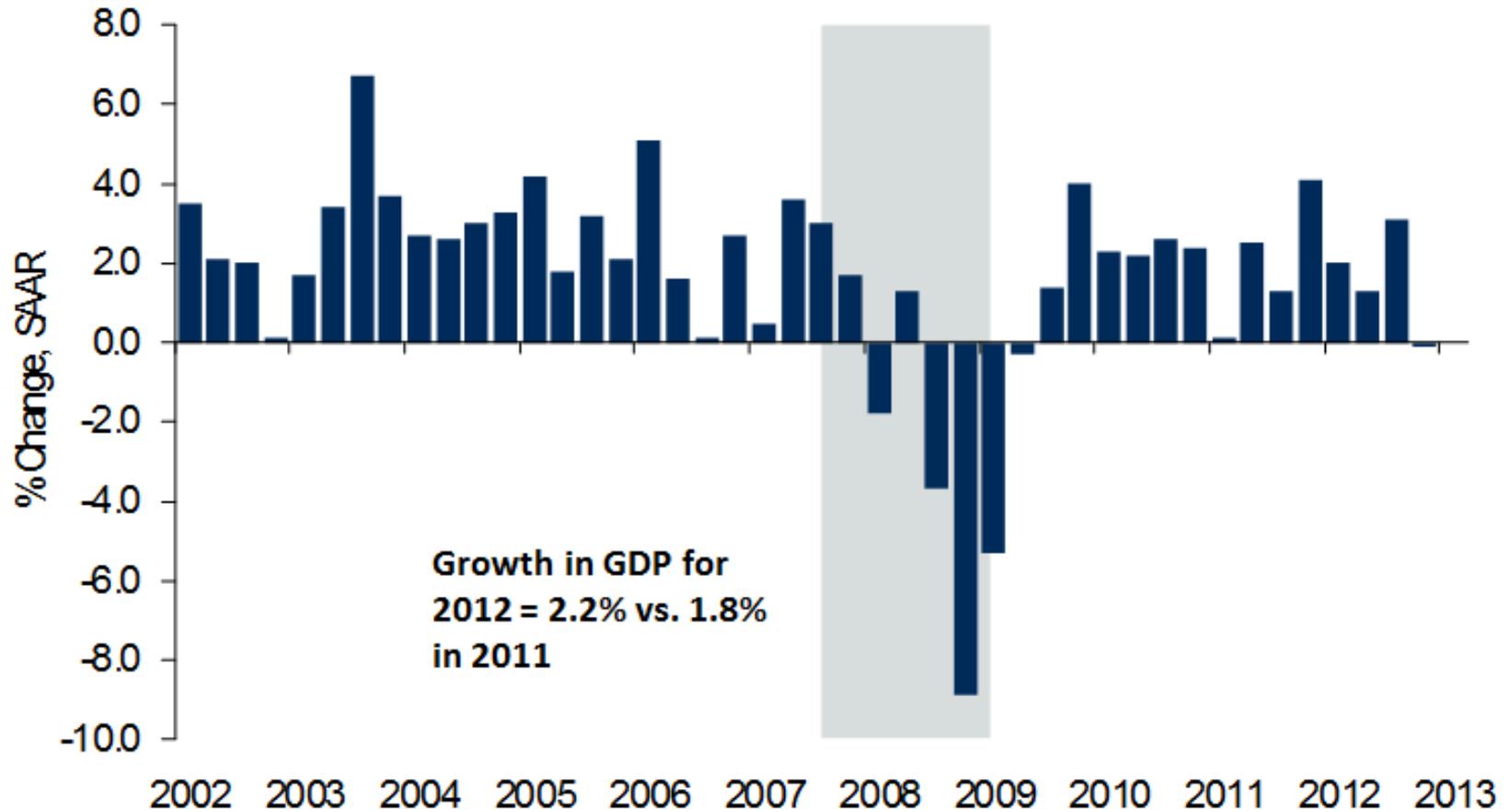
## IV. World Outlook

- GDP Projections
- Trade Projections
- Commodity Prices

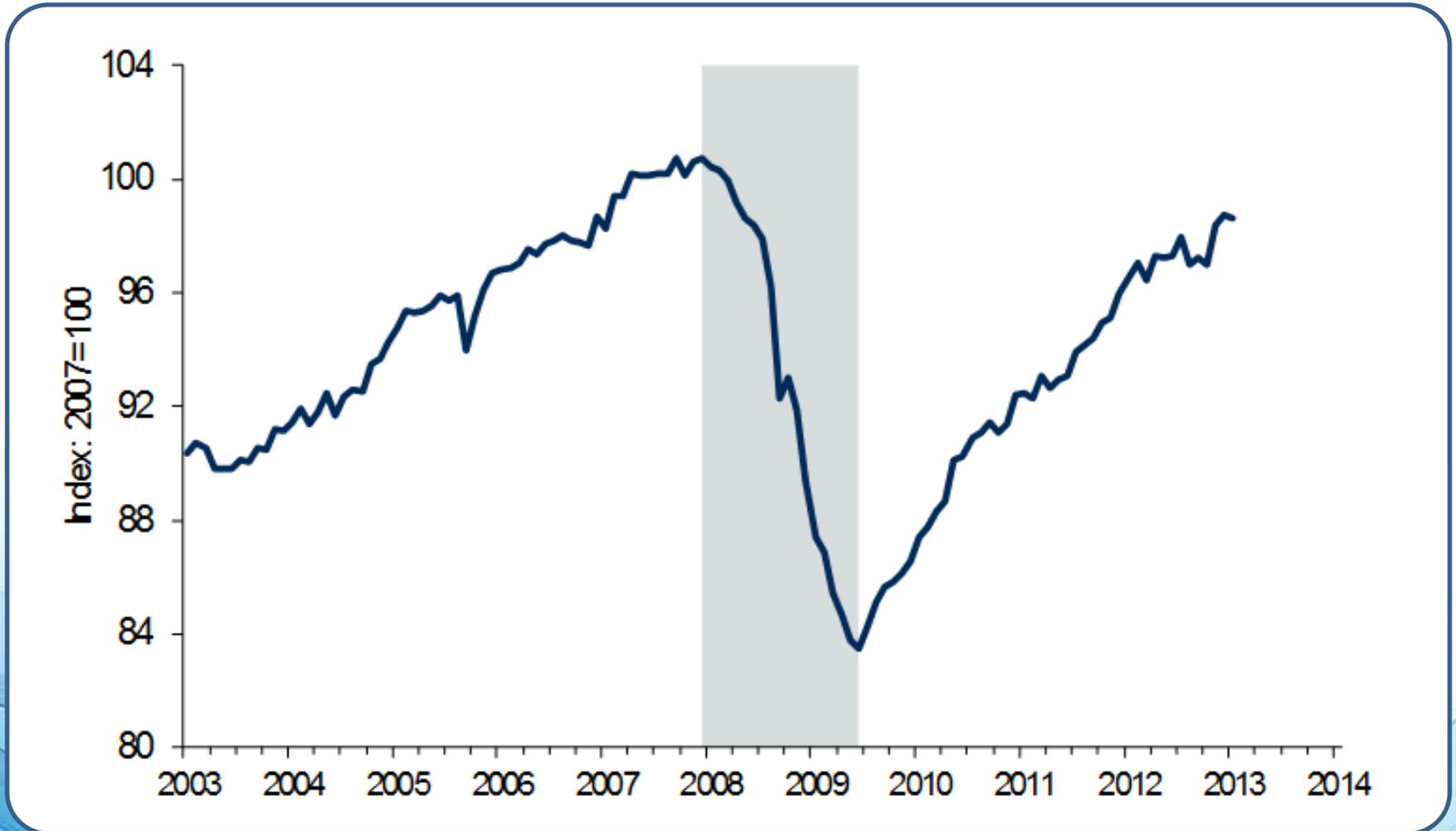
# National Trends

# U.S. Gross Domestic Product

Percent Change, Seasonally Adjusted Annual Rate



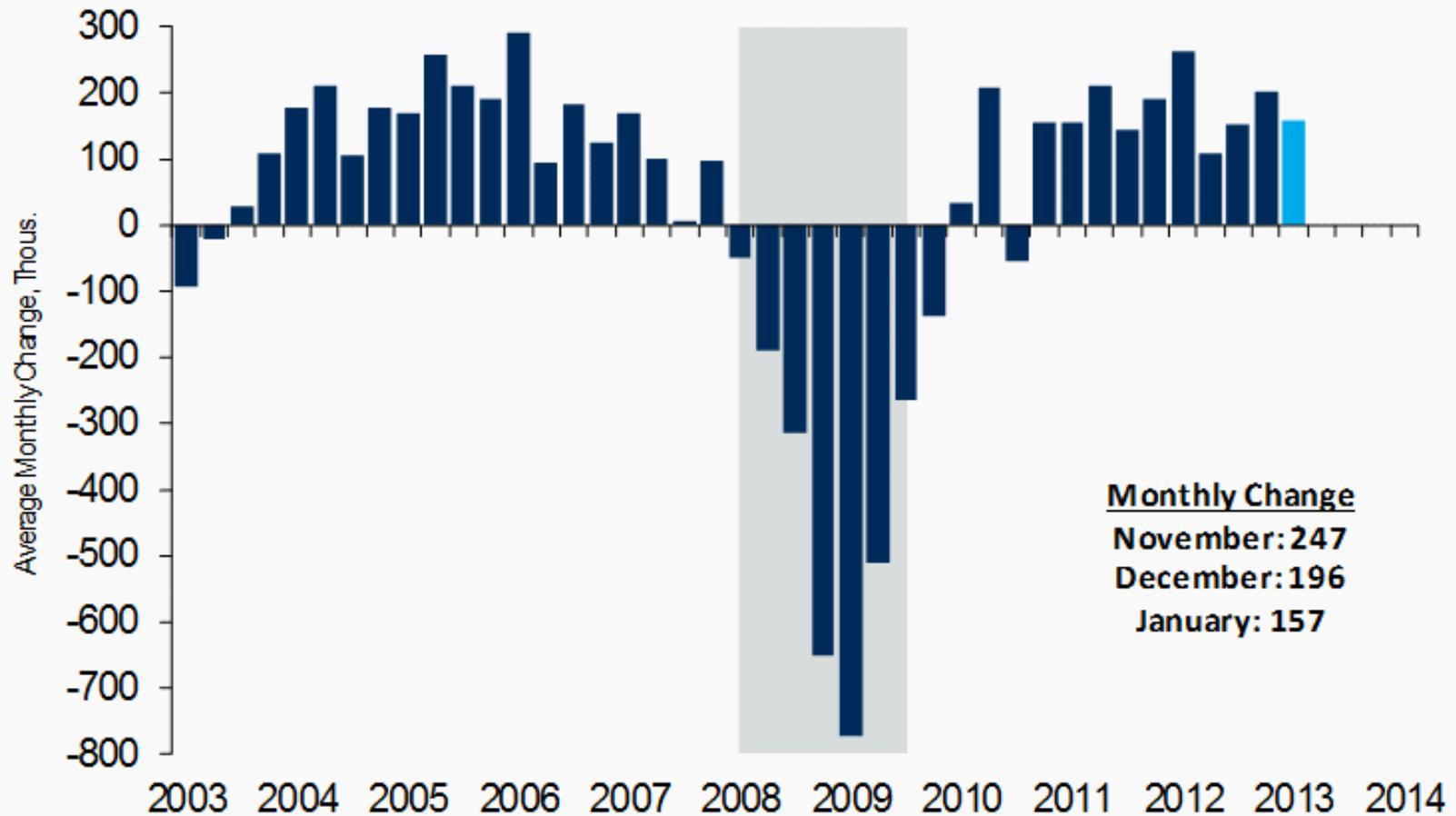
# Industrial Production



Source: Federal Reserve Board/Haver Analytics

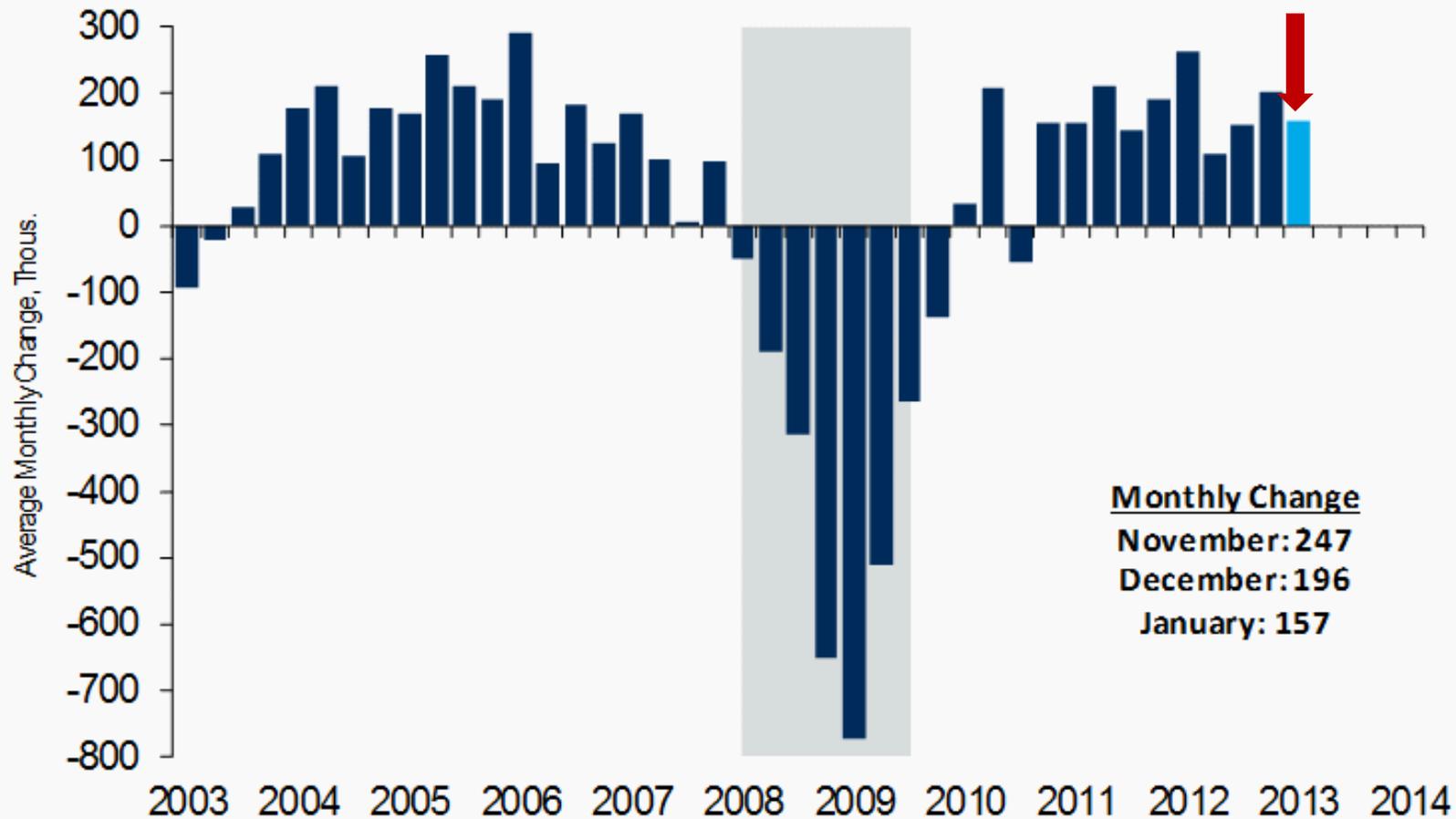
# Nonfarm Payroll Employment

Average Monthly Change

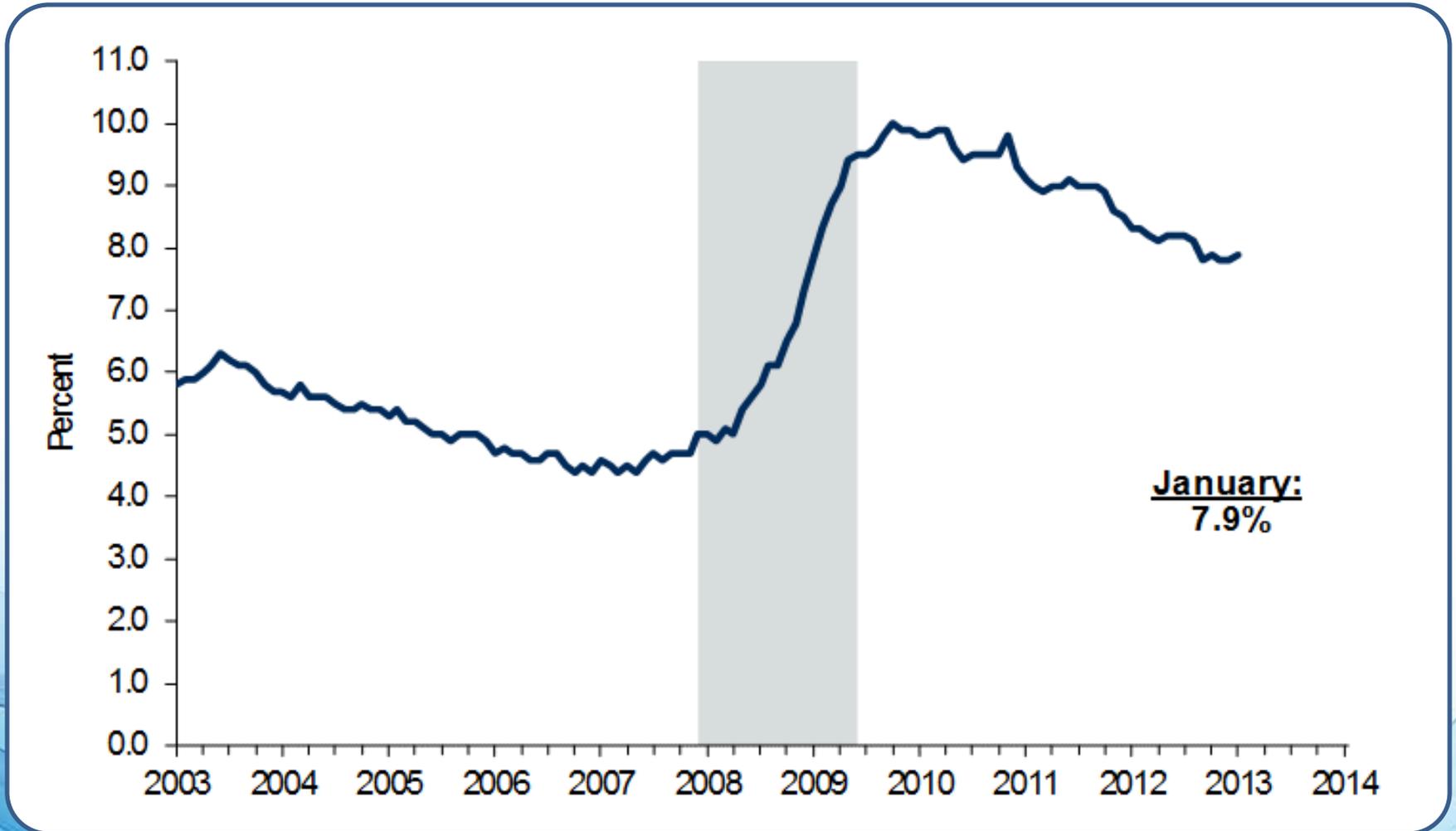


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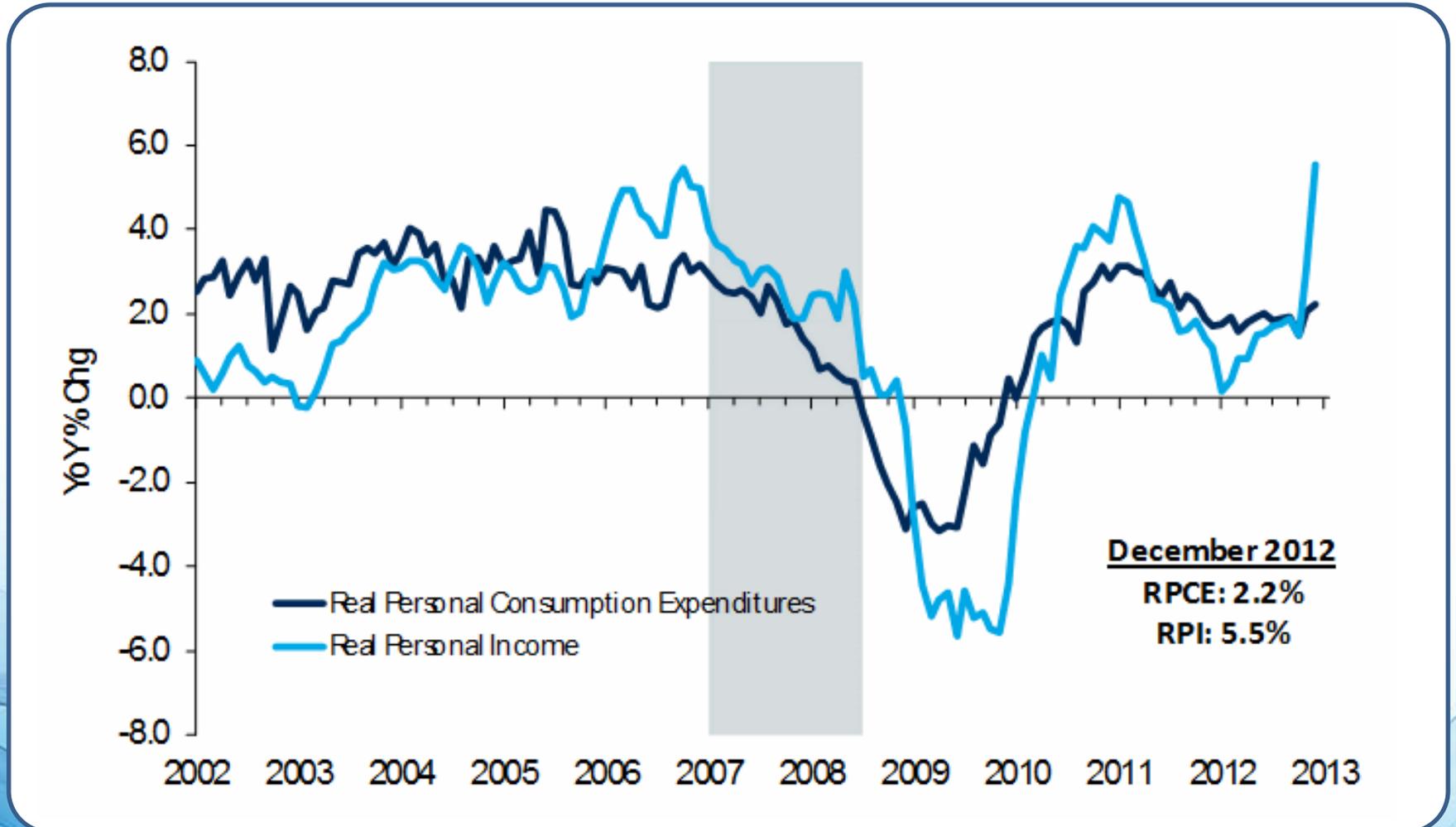


# Unemployment Rate



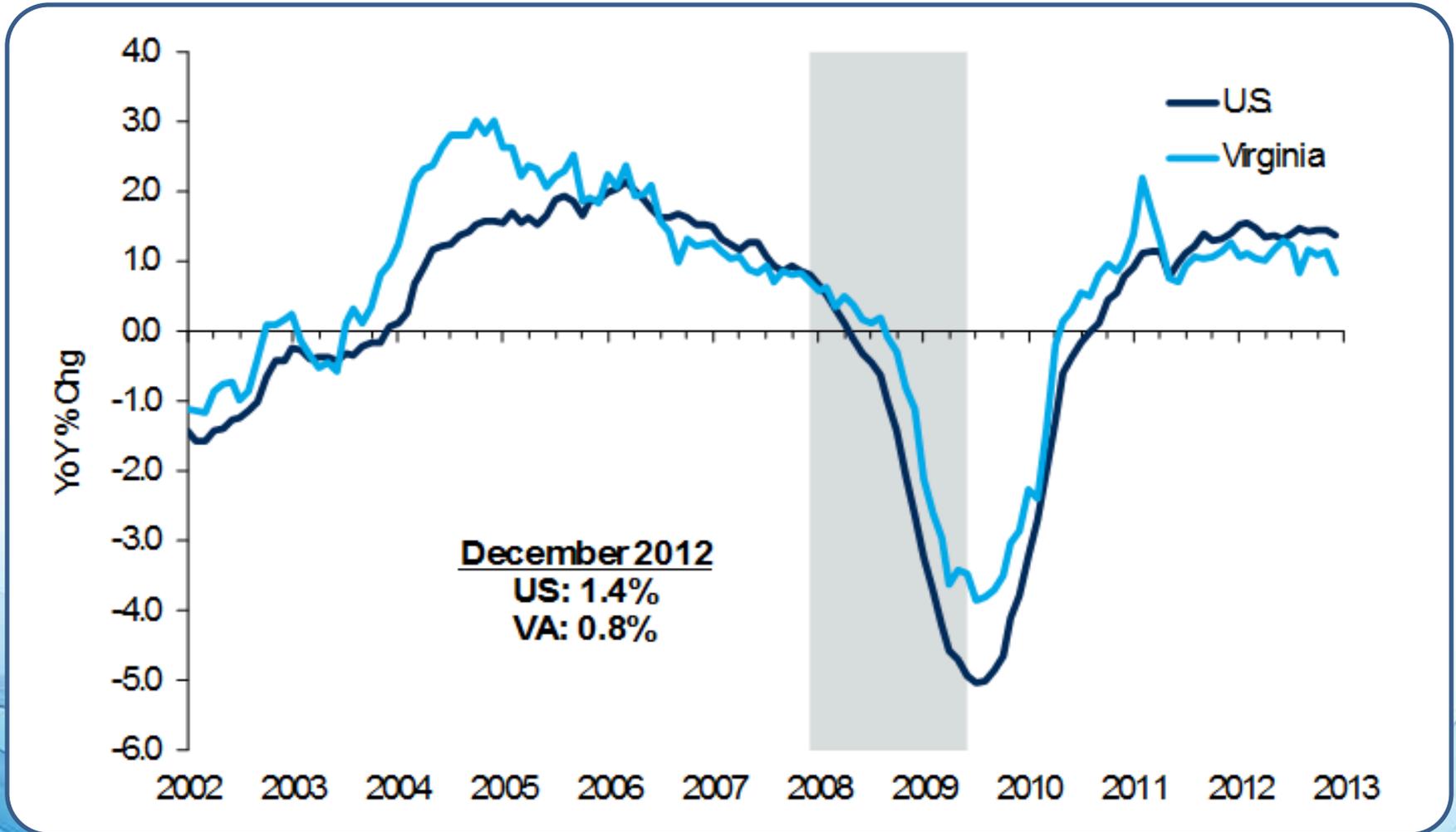
Source: Bureau of Labor Statistics/Haver Analytics

# Personal Income and Consumption



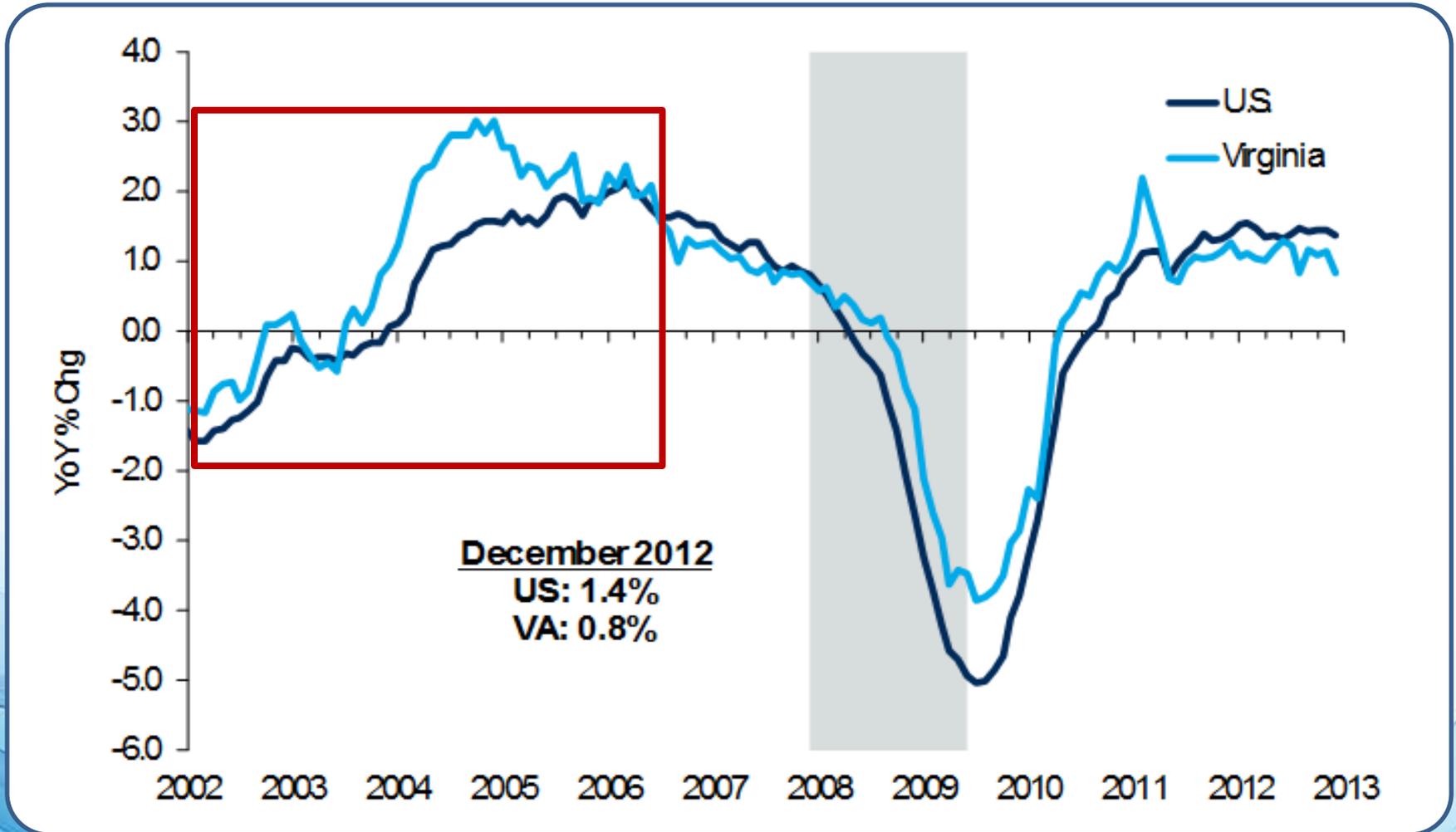
# Virginia Trends

# Virginia Employment Growth

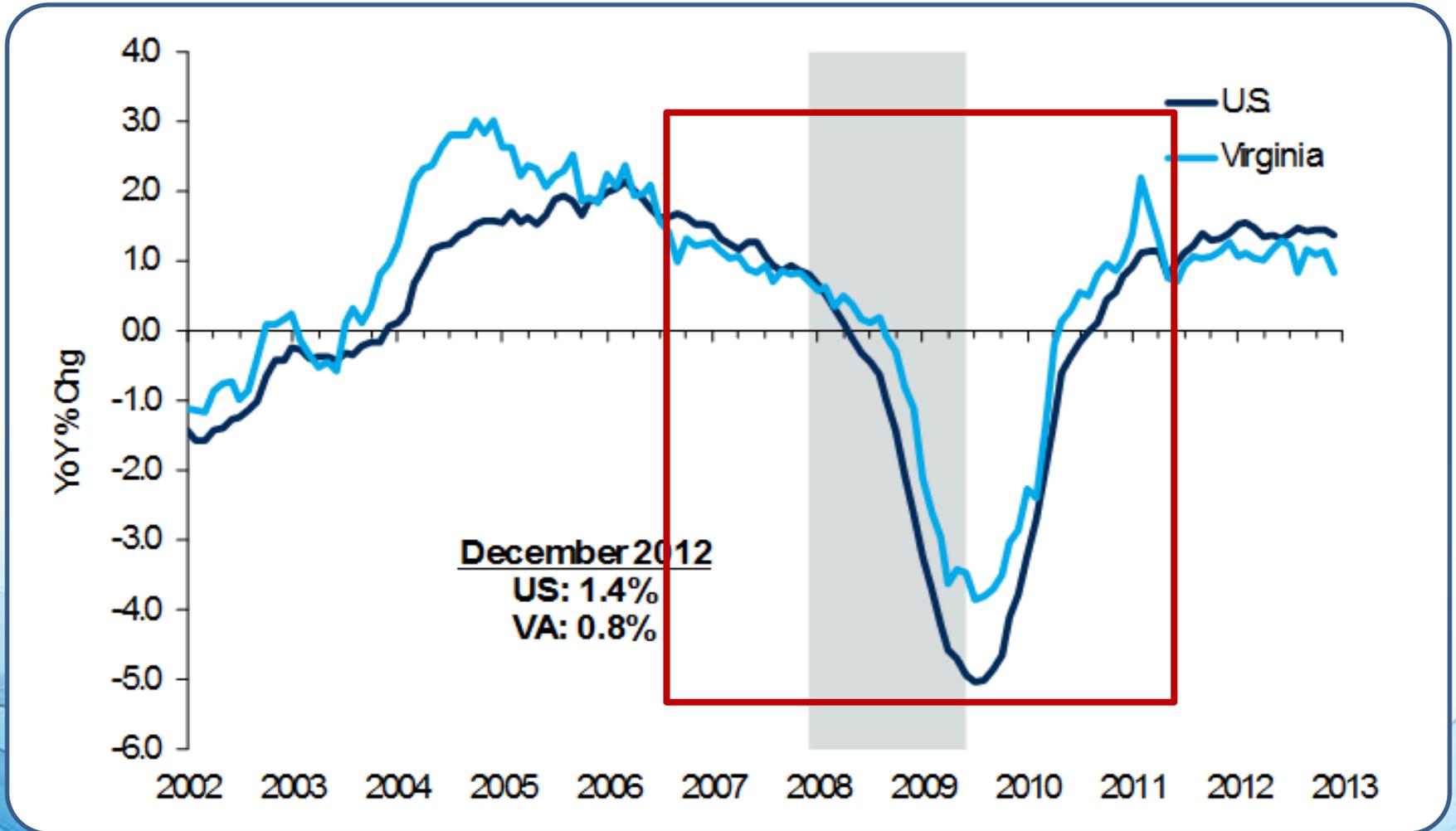


Source: Bureau of Labor Statistics/Haver Analytics

# Virginia Employment Growth

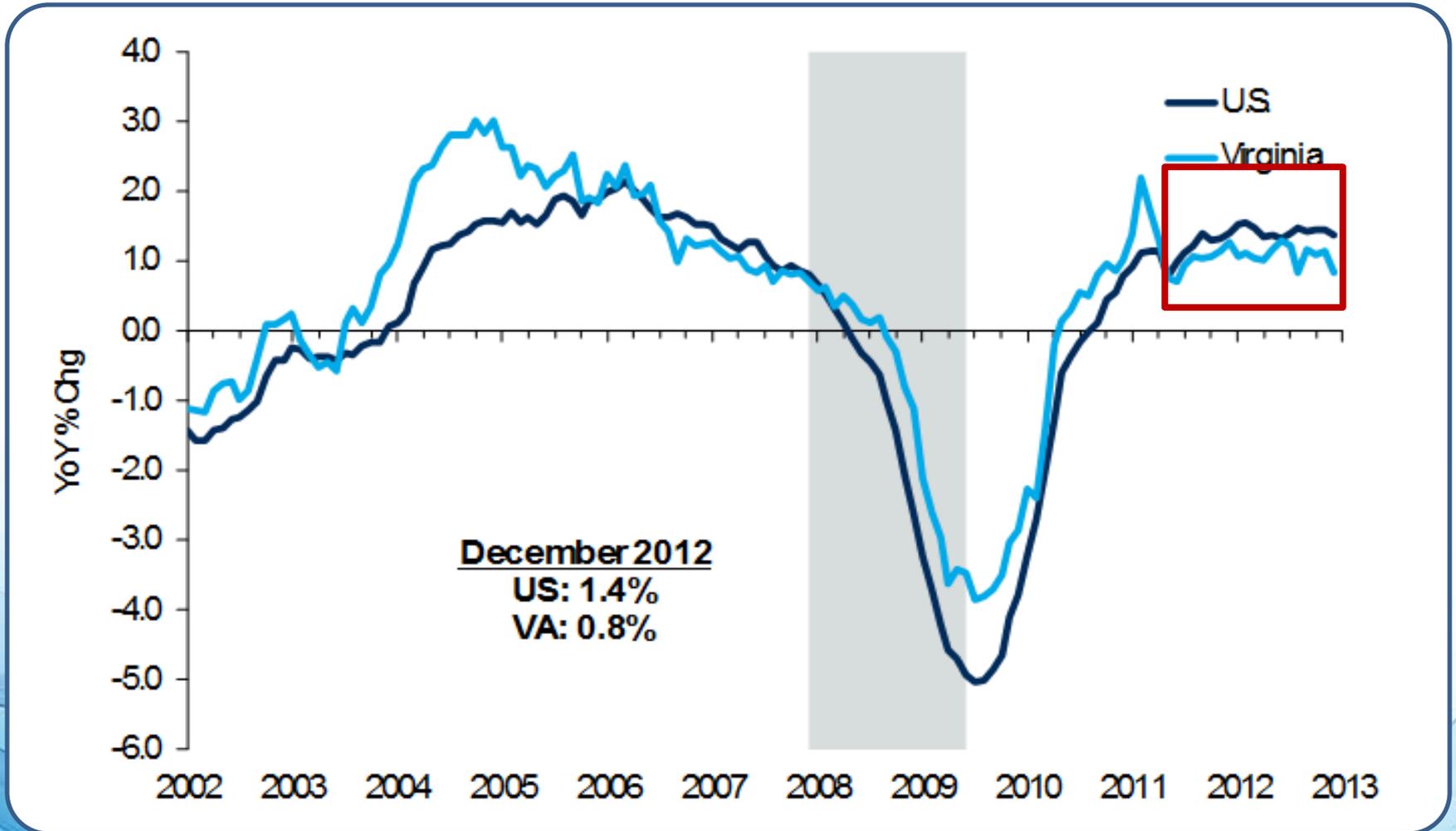


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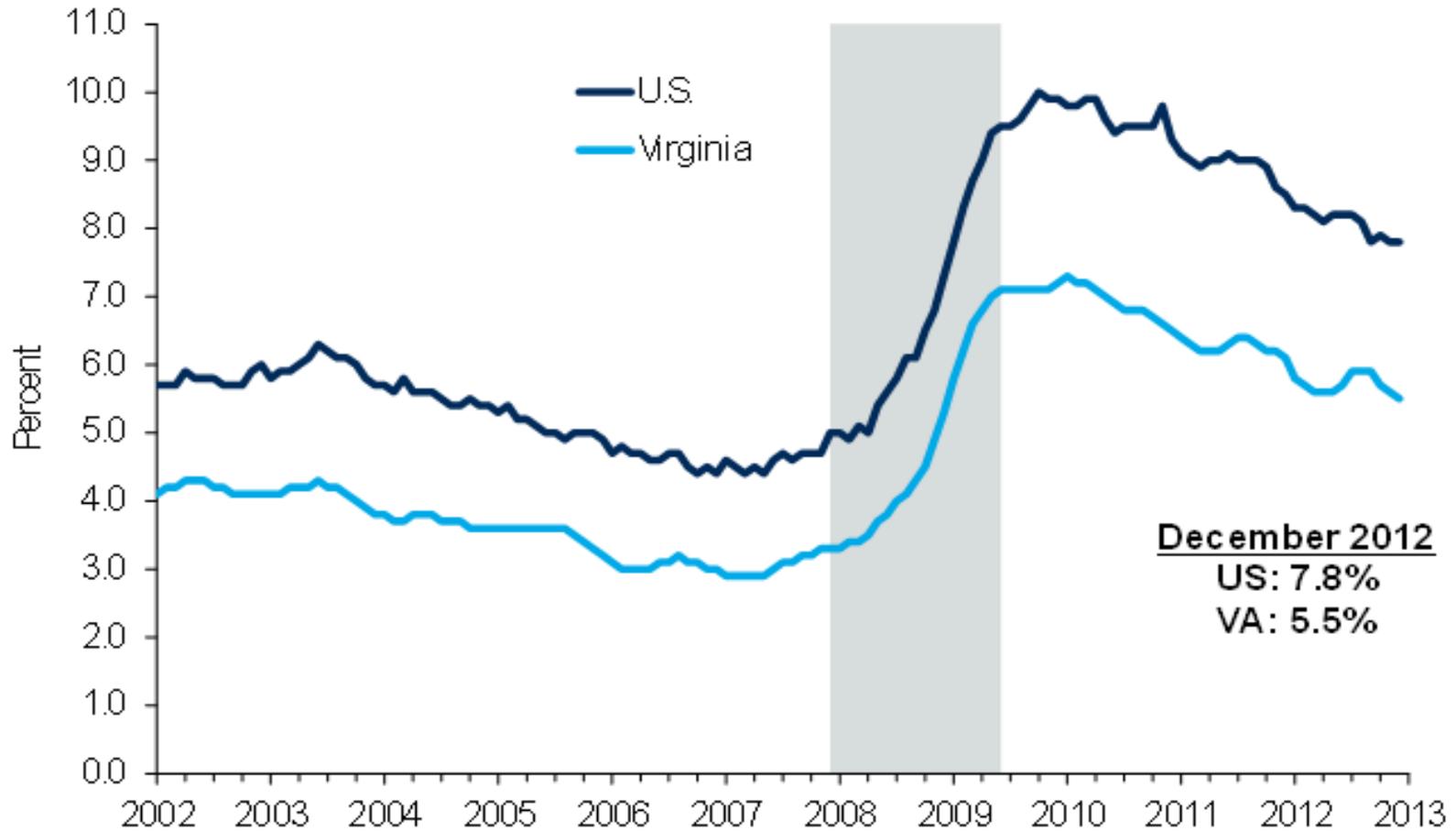


Source: Bureau of Labor Statistics/Haver Analytics

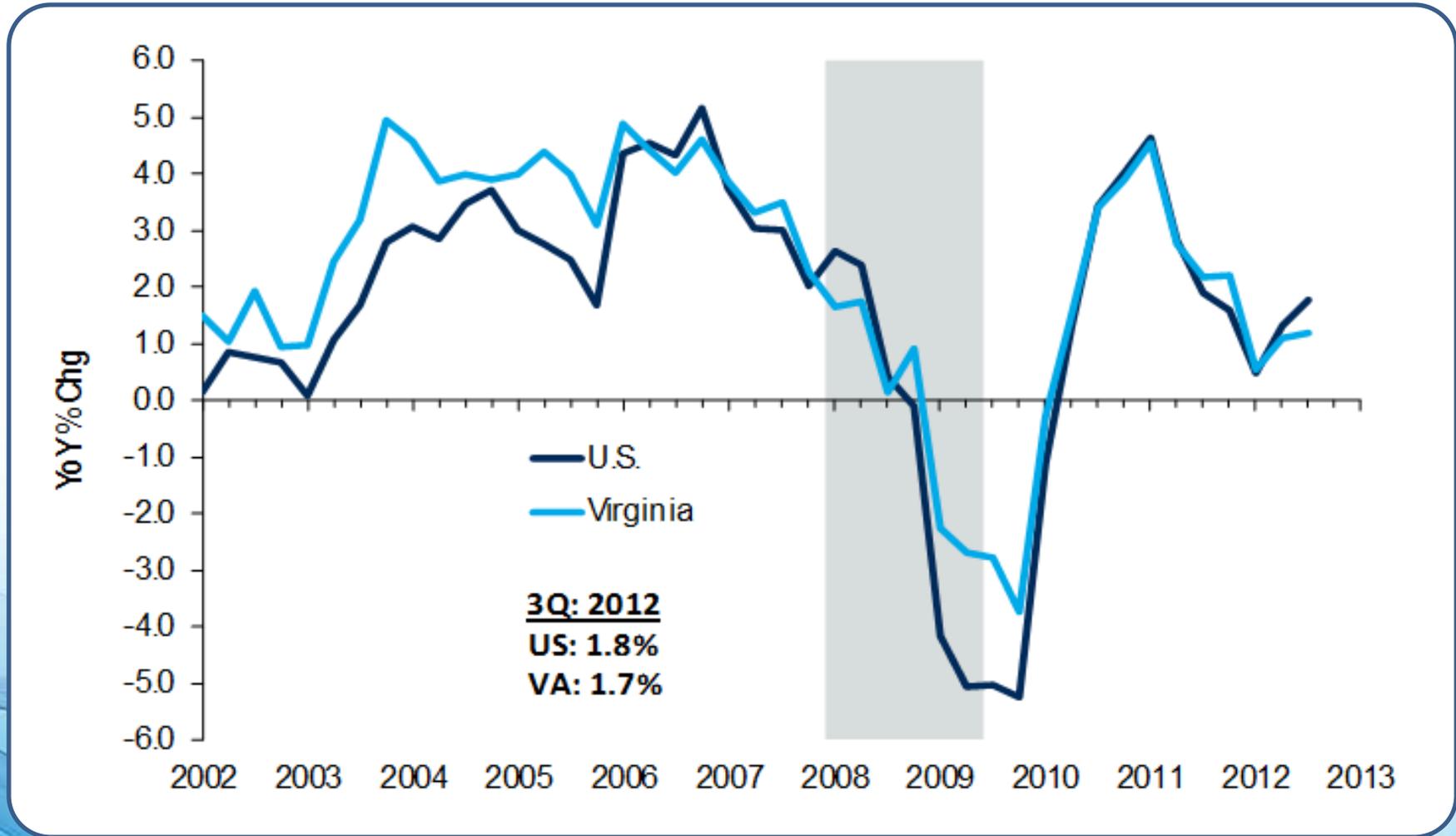
# Virginia Employment Growth



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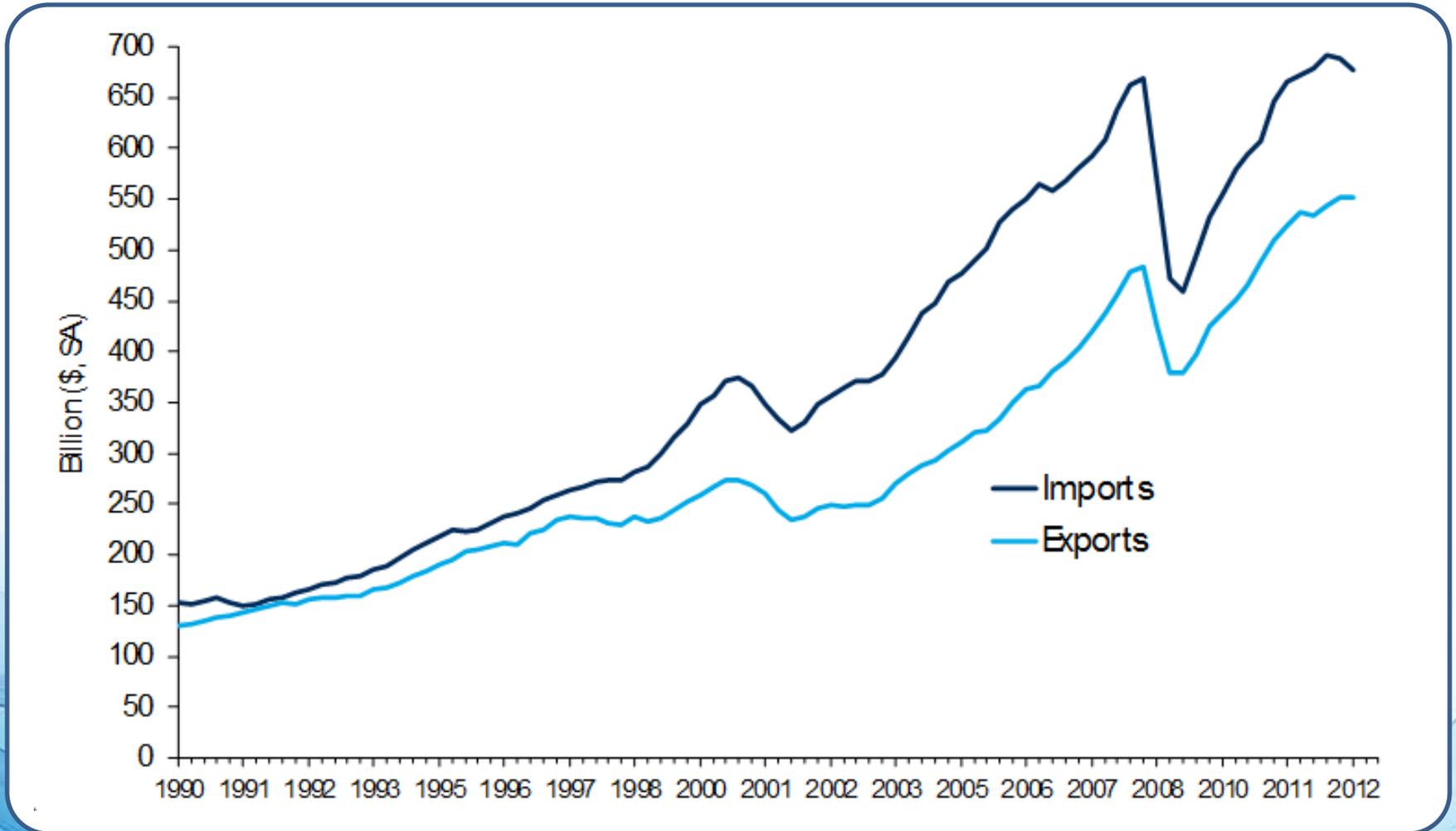


# State Personal Income Growth



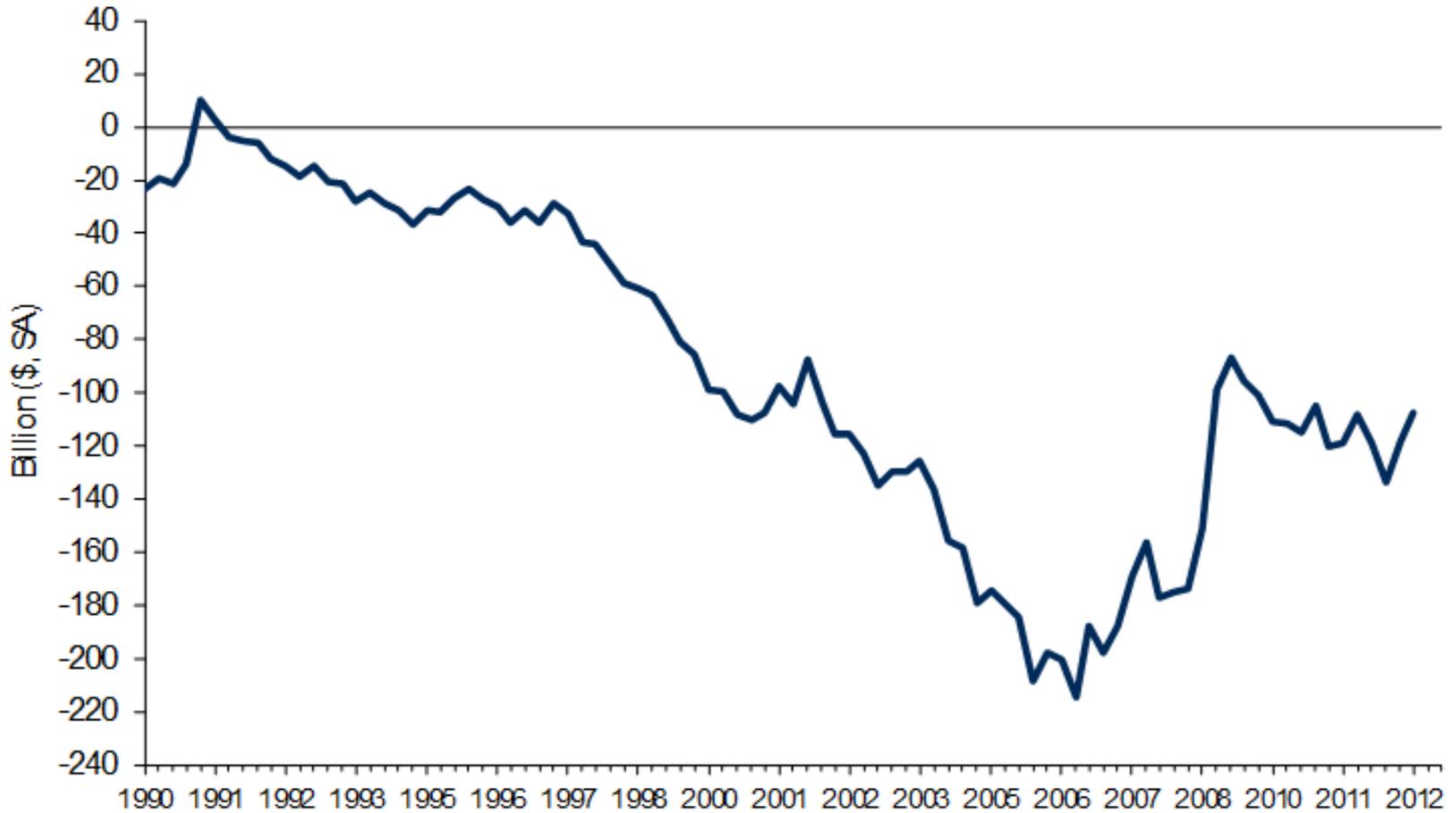
# Global Trends: U.S.

# U.S. Exports & Imports of Goods and Services



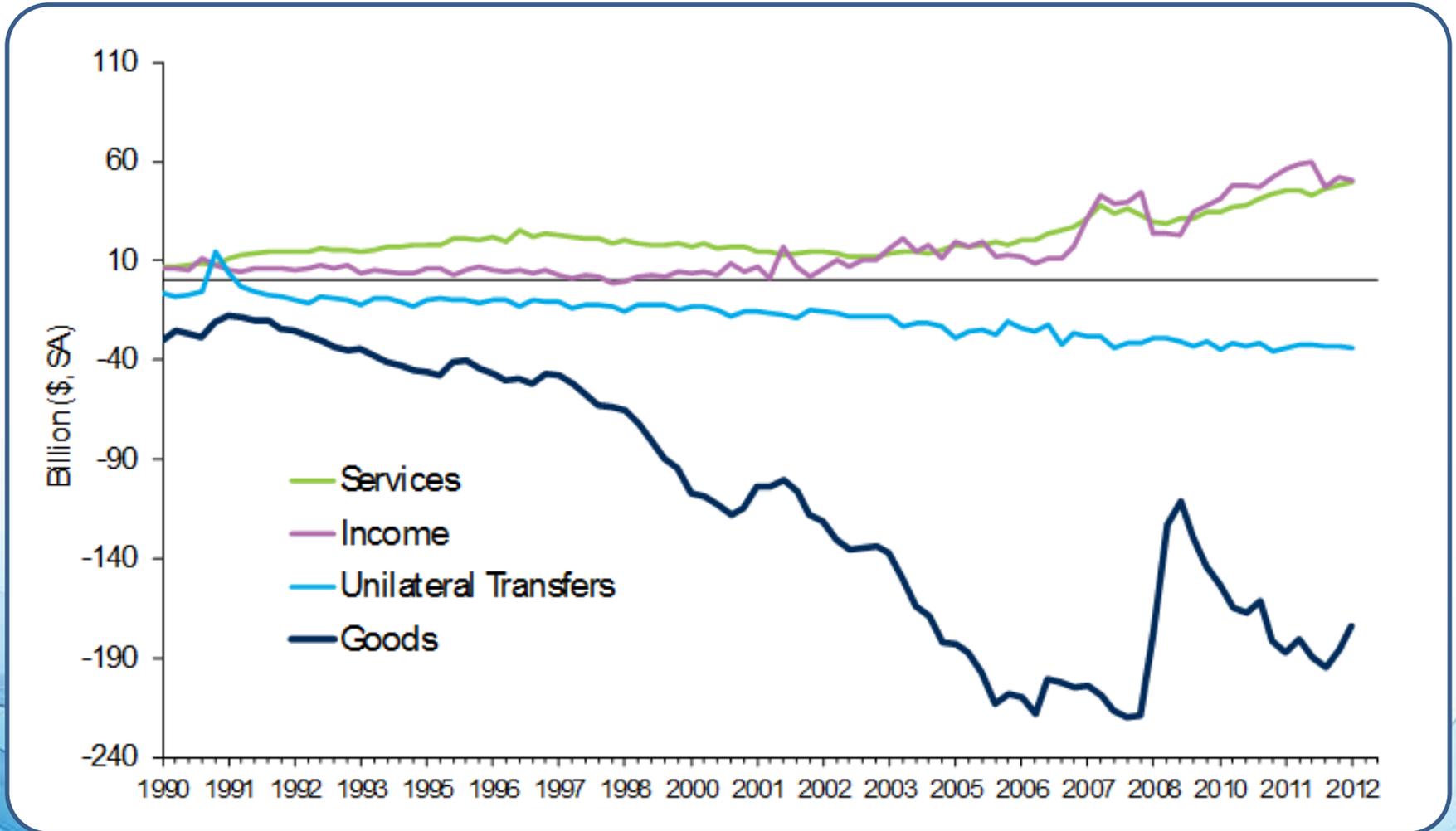
Source: BEA/Haver Analytics

# U.S. Current Account Balance



Source: BEA/Haver Analytics

# Components of U.S. Current Account Balance



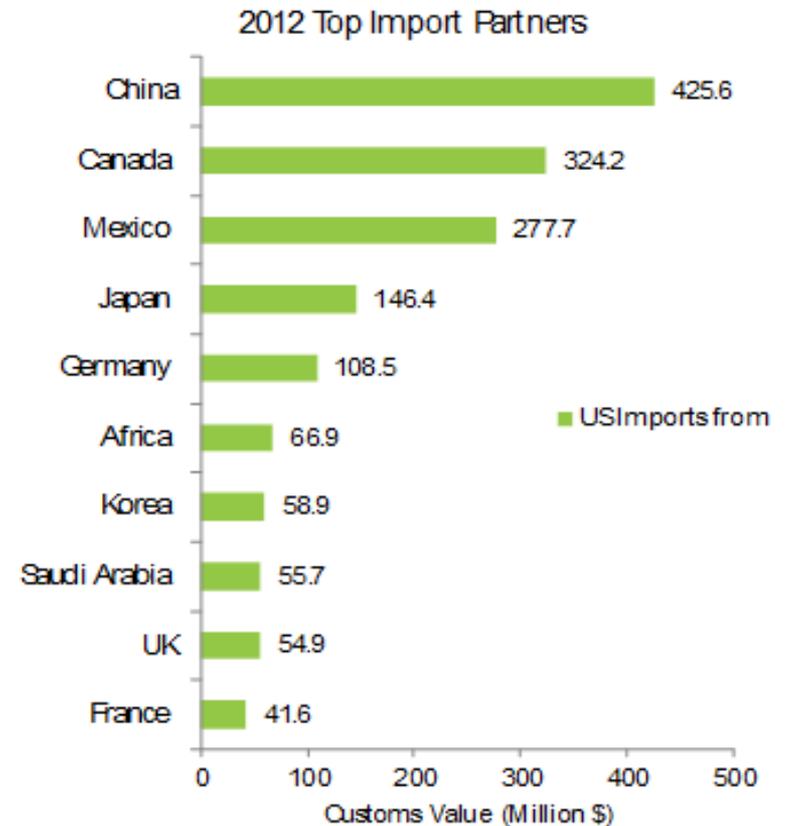
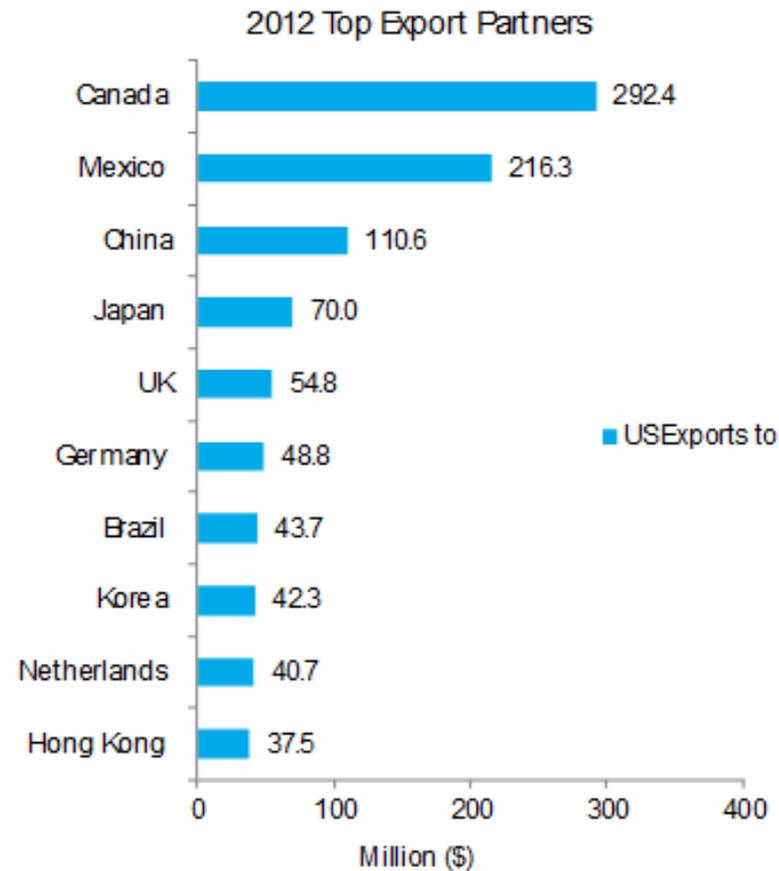
Source: BEA/Haver Analytics

# Major U.S. Goods Exported

	2012 Exports (Thous. \$)	2011 Exports (Thous. \$)	YoY% Change	Share of Total in 2012	Rank
<b>Total United States Exports</b>	<b>1,545,553,000</b>	<b>1,479,523,000</b>	<b>4.5</b>		
<b>Transportation Equipment</b>	247,881,057	217,928,784	13.7	16.0%	1
<b>Computers and Electronic Products</b>	203,690,301	201,165,306	1.3	13.2%	2
<b>Chemical Manufactures</b>	197,600,538	197,139,302	0.2	12.8%	3
<b>Machinery</b>	165,721,643	156,983,530	5.6	10.7%	4
<b>Petroleum &amp; Coal Products</b>	111,554,026	101,851,215	9.5	7.2%	5
<b>Primary Metal Manufacturing</b>	77,793,190	76,472,956	1.7	5.0%	6
<b>Misc. Manufacturing Commodities</b>	72,042,832	69,693,619	3.4	4.7%	7
<b>Agricultural Products</b>	71,213,187	71,977,539	-1.1	4.6%	8
<b>Food &amp; Kindred Products</b>	64,683,641	59,941,853	7.9	4.2%	9
<b>Electrical Equipment and Appliances</b>	45,834,719	42,177,630	8.7	3.0%	10

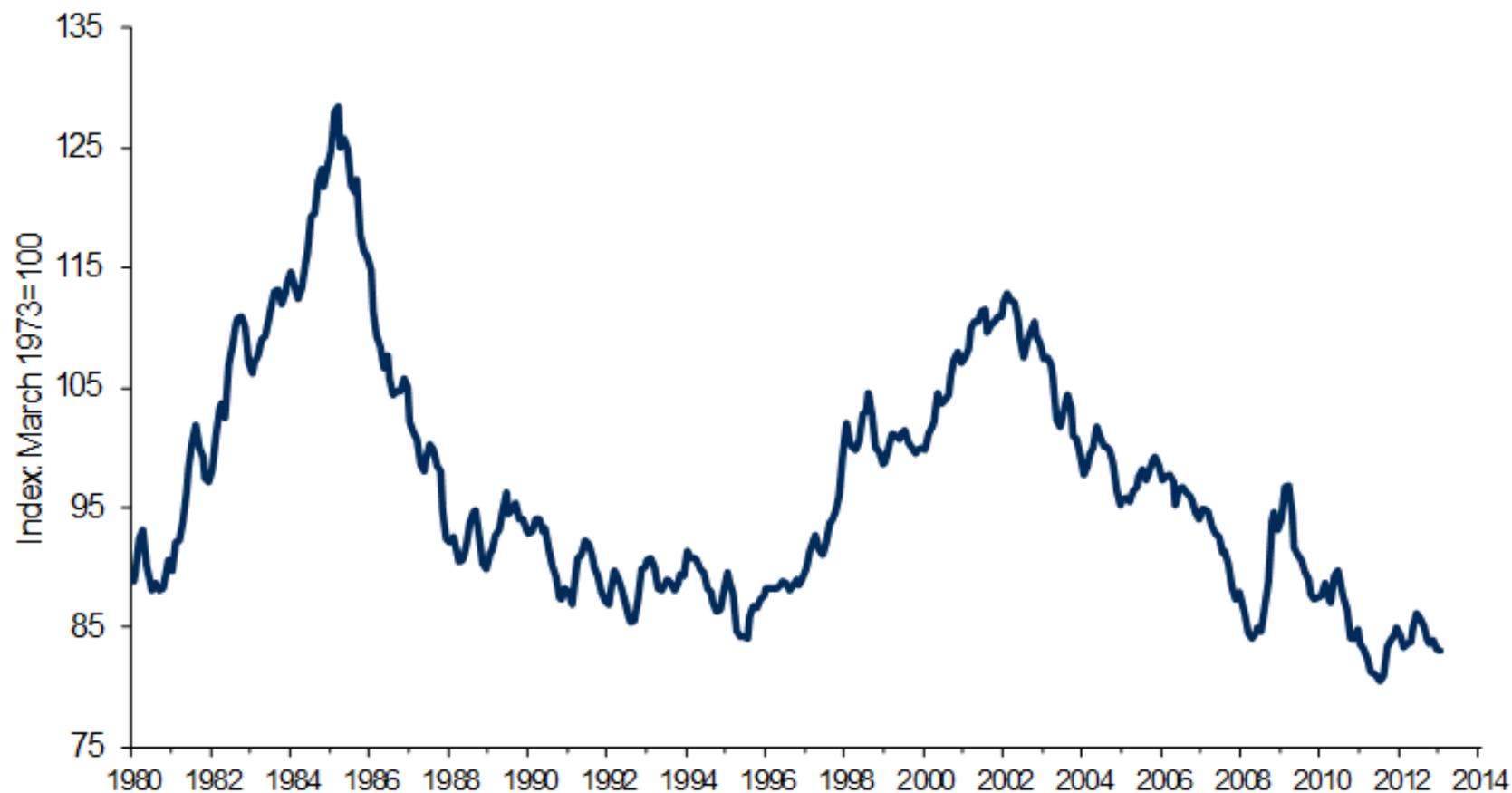
Source: WISER/Census Bureau/Haver Analytics

# Major U.S. Trading Partners



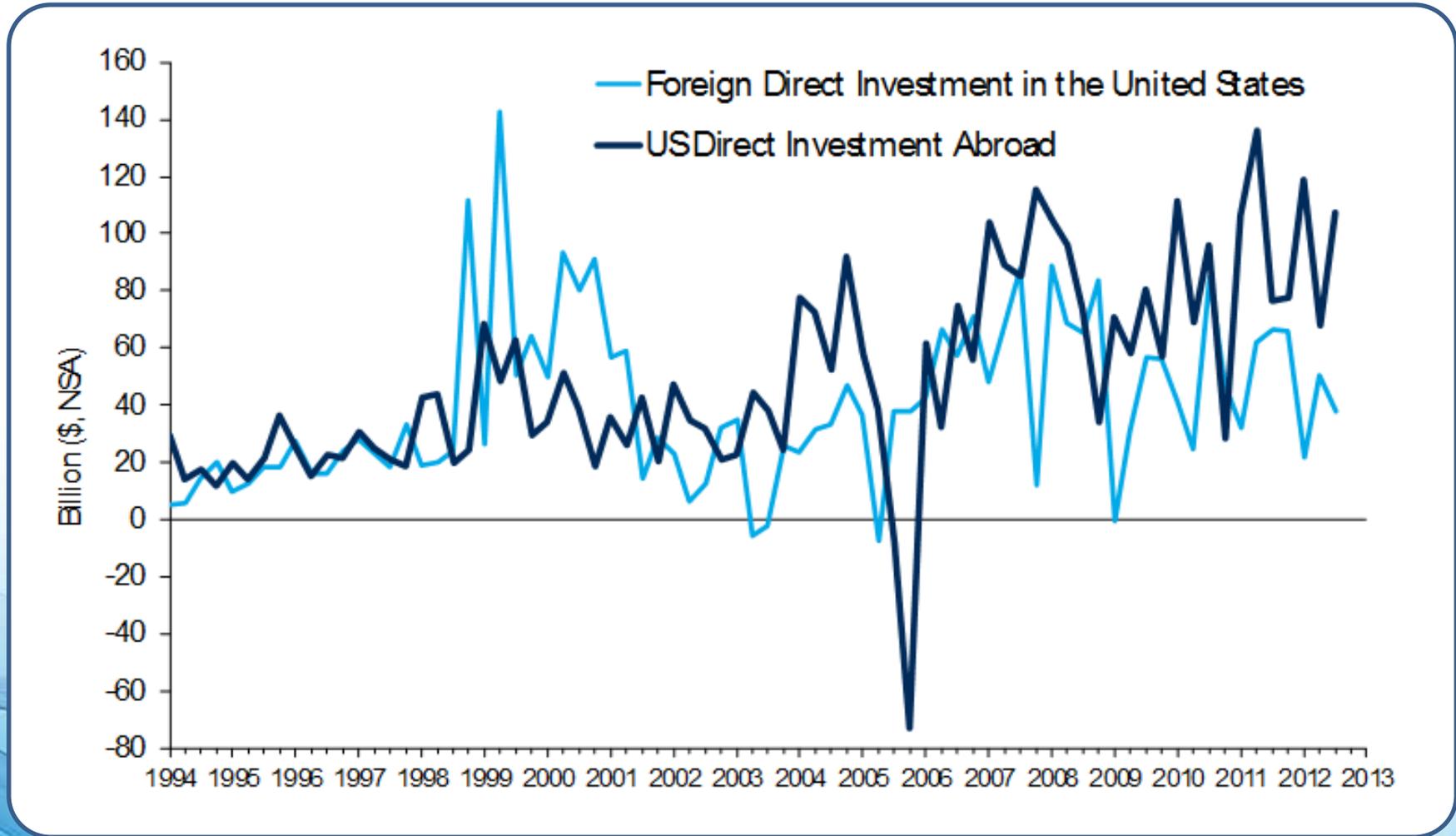
Note: Data for both goods and services

# Exchange Value of the U.S. Dollar



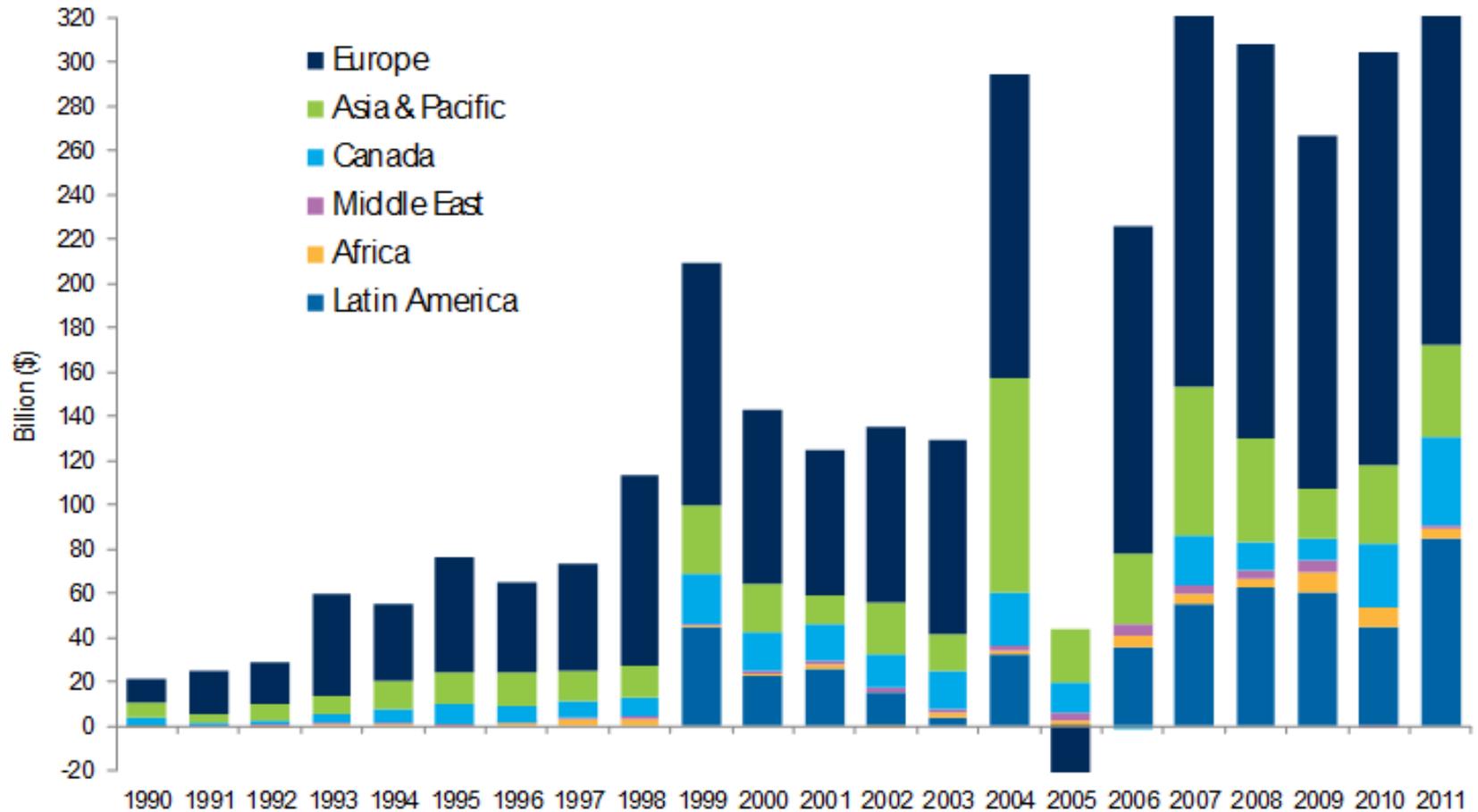
Notes: Measured as the real broad trade-weighted exchange value of the United States Dollar.

# Financial Flows



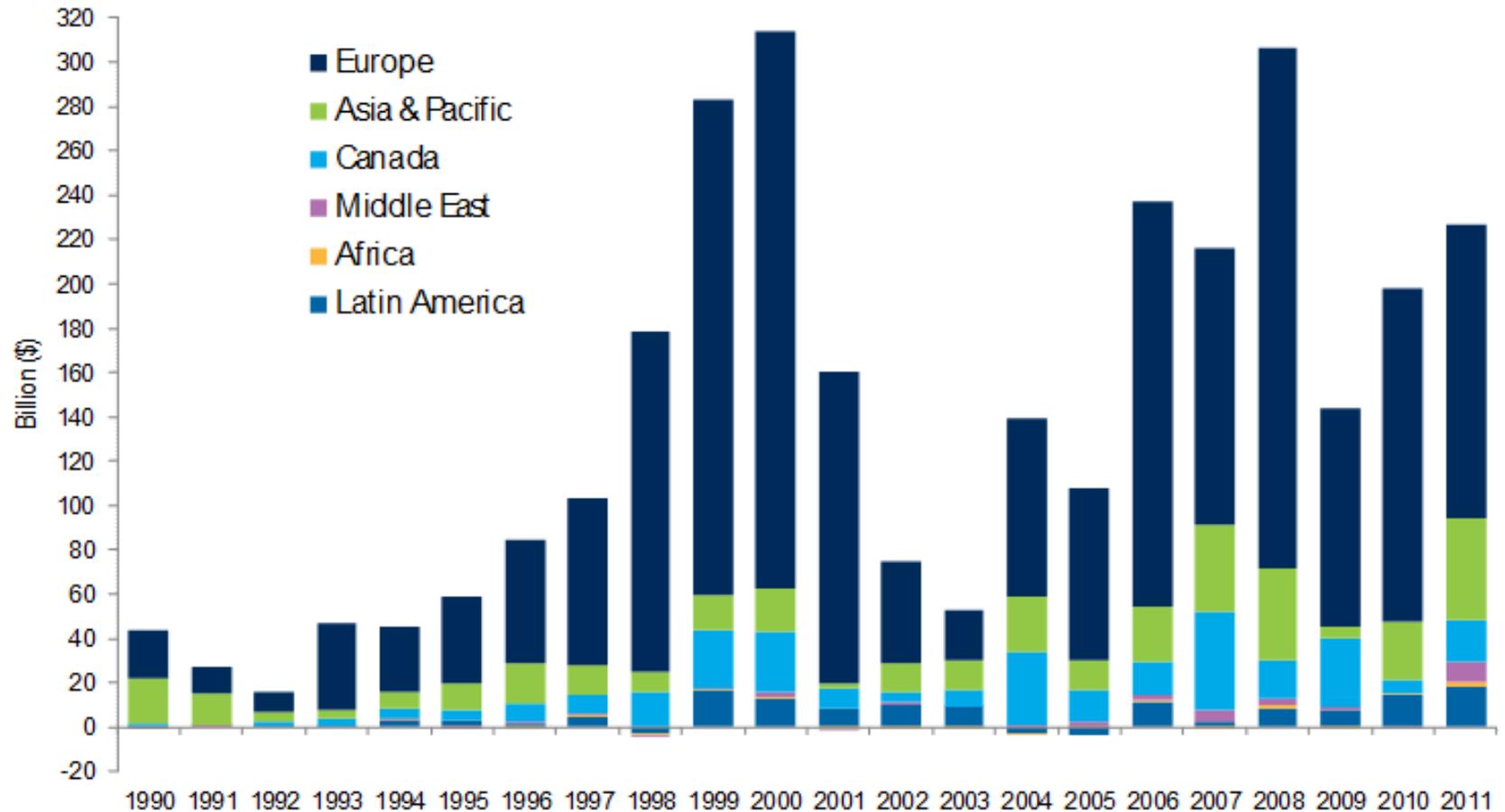
Source: BEA/Haver Analytics

# U.S. Direct Investment Abroad by Region



Source: BEA/Haver Analytics

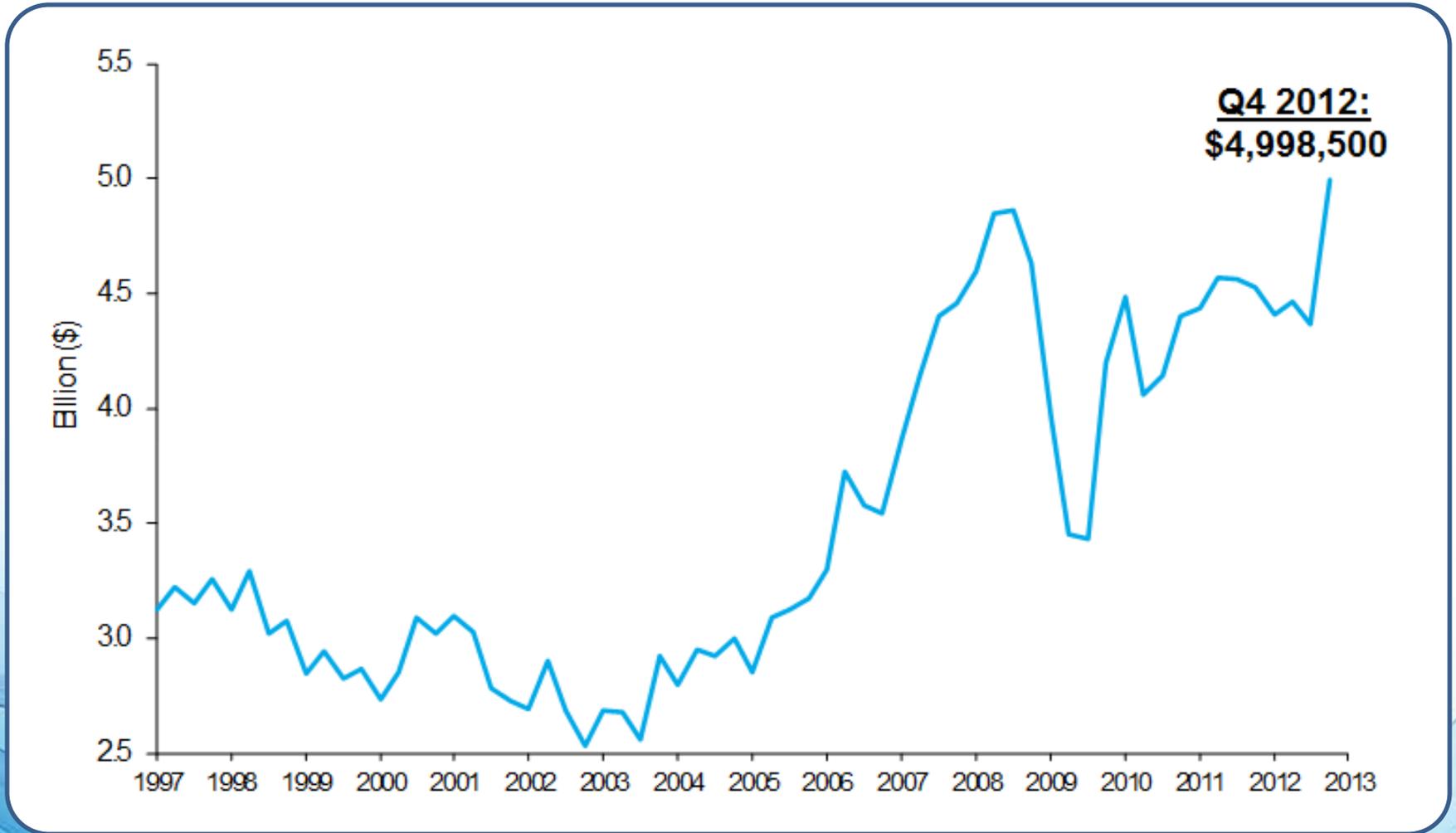
# Foreign Direct Investment in U.S. by Region



Source: BEA/Haver Analytics

# Global Trends: Virginia

# Virginia Total Export Value



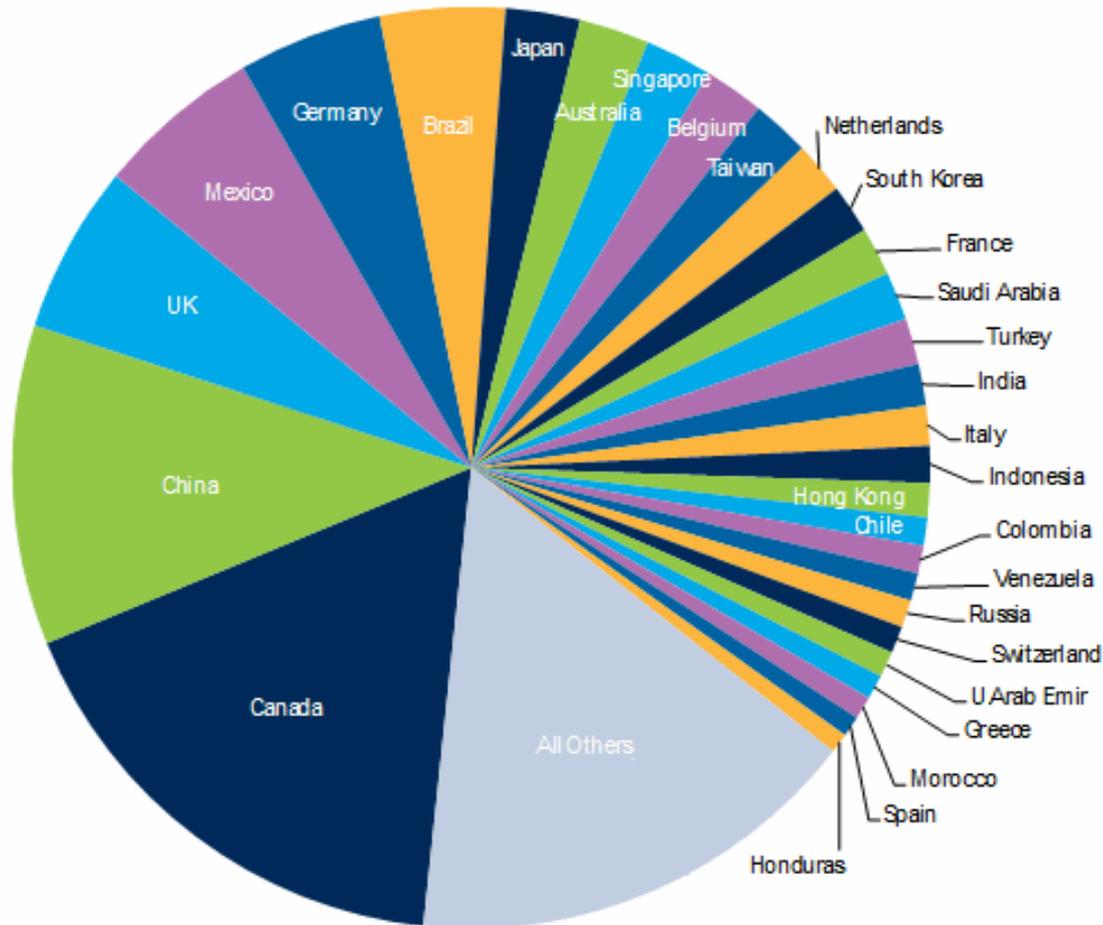
Source: BEA/Haver Analytics

# Virginia Top Export Products

	2012 Exports (Thous. \$)	2011 Exports (Thous. \$)	YoY% Change	Share of Total in 2012	Rank
<b>Total State Exports</b>	<b>18,238,803</b>	<b>18,088,831</b>	<b>0.8</b>		
<b>Chemical Manufactures</b>	3,019,090	2,960,928	2.0	16.6%	1
<b>Transportation Equipment</b>	2,368,053	2,000,902	18.3	13.0%	2
<b>Computer and Electronic Products</b>	2,362,983	2,230,519	5.9	13.0%	3
<b>Machinery</b>	1,765,240	1,752,149	0.7	9.7%	4
<b>Food &amp; Kindred Products</b>	1,166,368	1,102,355	5.8	6.4%	5
<b>Agricultural Products</b>	1,116,867	952,951	17.2	6.1%	6
<b>Paper Products</b>	995,396	966,083	3.0	5.5%	7
<b>Fabricated Metal Products</b>	675,030	518,126	30.3	3.7%	8
<b>Electrical Equipment Applications &amp; Computers</b>	548,604	504,762	8.7	3.0%	9
<b>Plastics &amp; Rubber Products</b>	516,876	503,565	2.6	2.8%	10

Source: WISER/Census Bureau/Haver Analytics

# Top Export Destinations for Virginia Goods



Source: WISER/Census Bureau/Haver Analytics

# Virginia Top Export Destinations

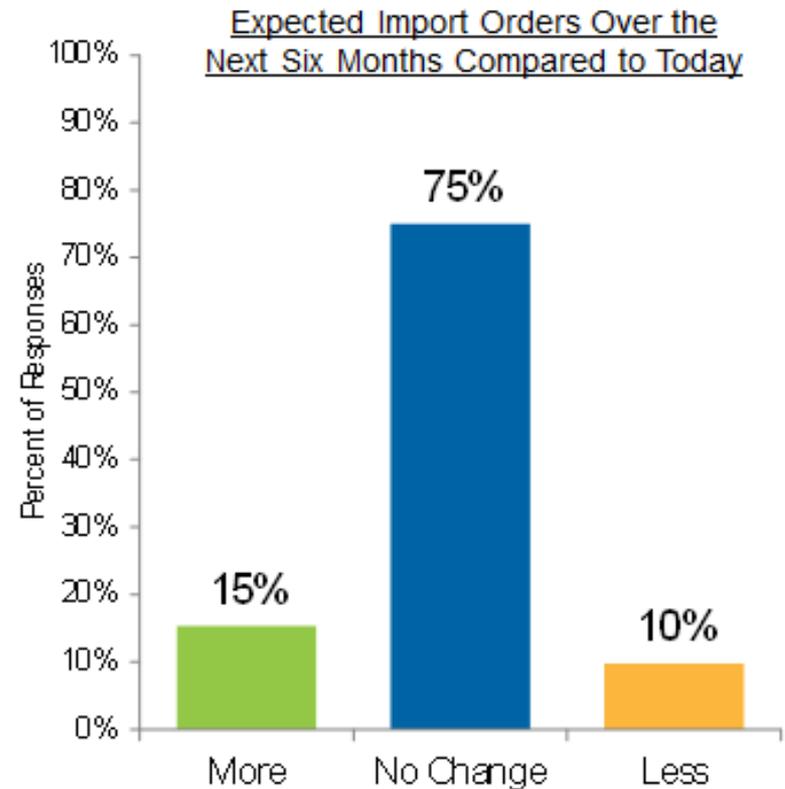
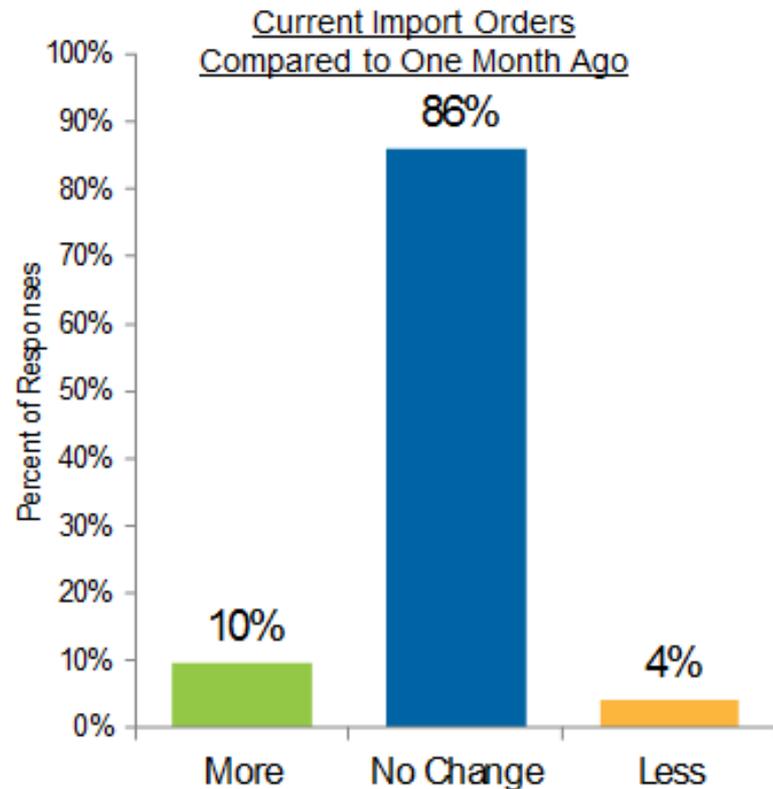
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<b>Canada</b>	3,112,871	2,924,771	6.4	17.1%	1
<b>China</b>	2,039,543	1,754,615	16.2	11.2%	2
<b>UK</b>	1,075,611	1,088,627	-1.2	5.9%	3
<b>Mexico</b>	1,057,914	900,691	17.5	5.8%	4
<b>Germany</b>	921,366	865,818	6.4	5.1%	5
<b>Brazil</b>	801,766	848,767	-5.5	4.4%	6
<b>Japan</b>	476,202	487,652	-2.3	2.6%	7
<b>Australia</b>	449,930	356,016	26.4	2.5%	8
<b>Singapore</b>	428,862	416,457	3.0	2.4%	9
<b>Belgium</b>	386,165	410,680	-6.0	2.1%	10

Source: WISER/Census Bureau/Haver Analytics

# Trade-Related Survey Questions

# Fifth District Responses to Trade Related Survey Question

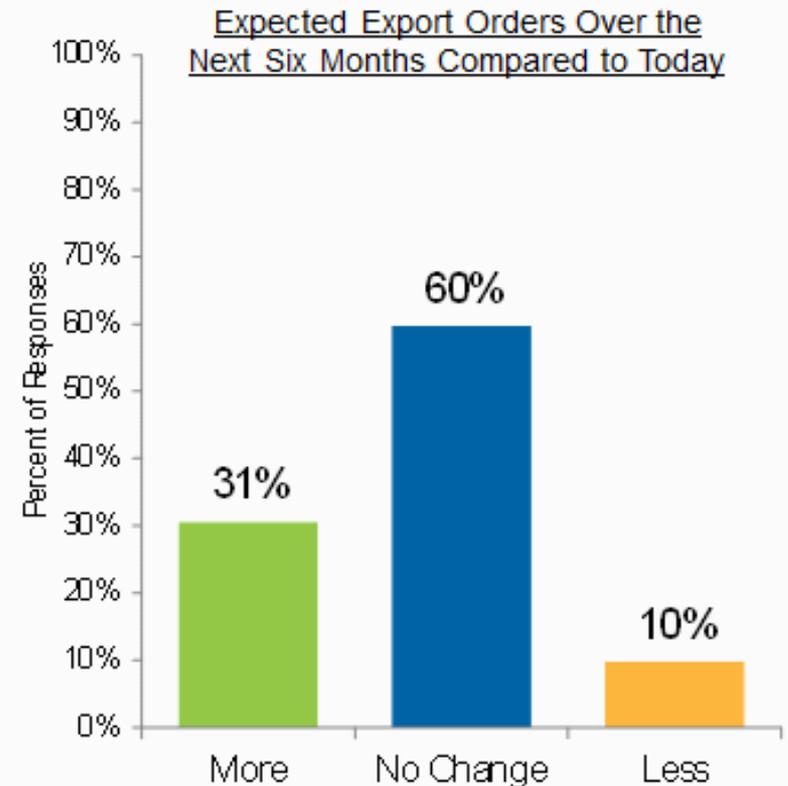
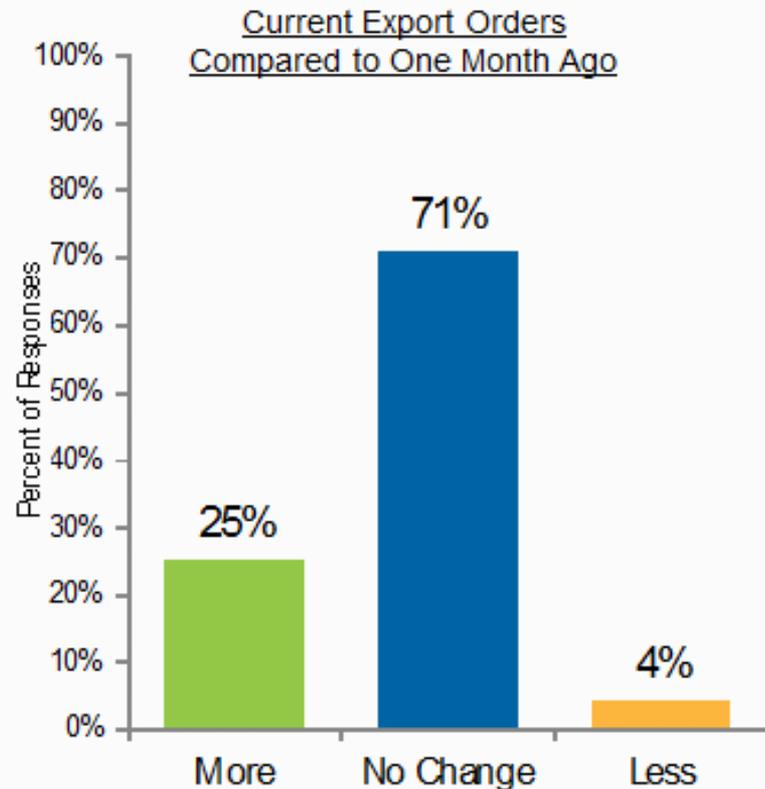
## Volume of Import Orders



Source: Federal Reserve Bank of Richmond

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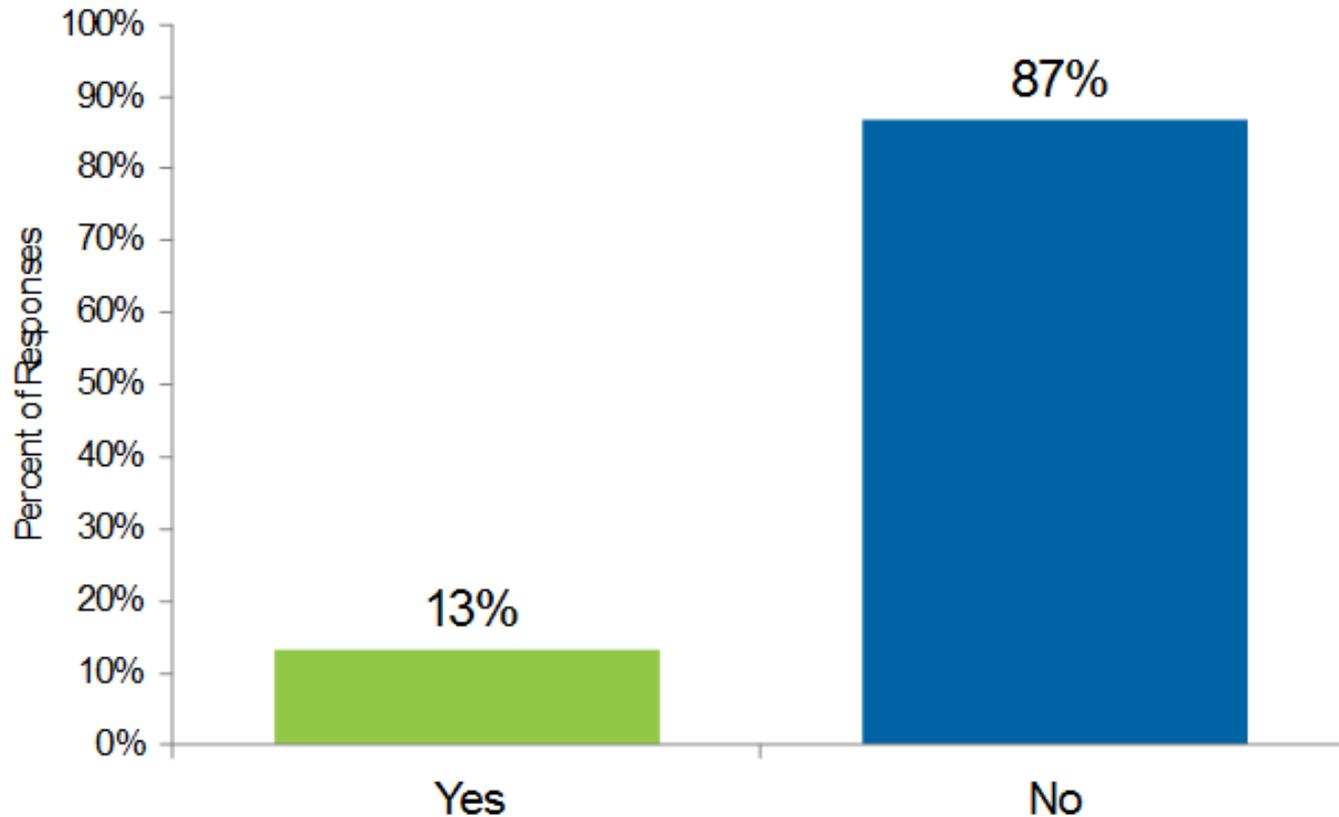
## Volume of Export Orders



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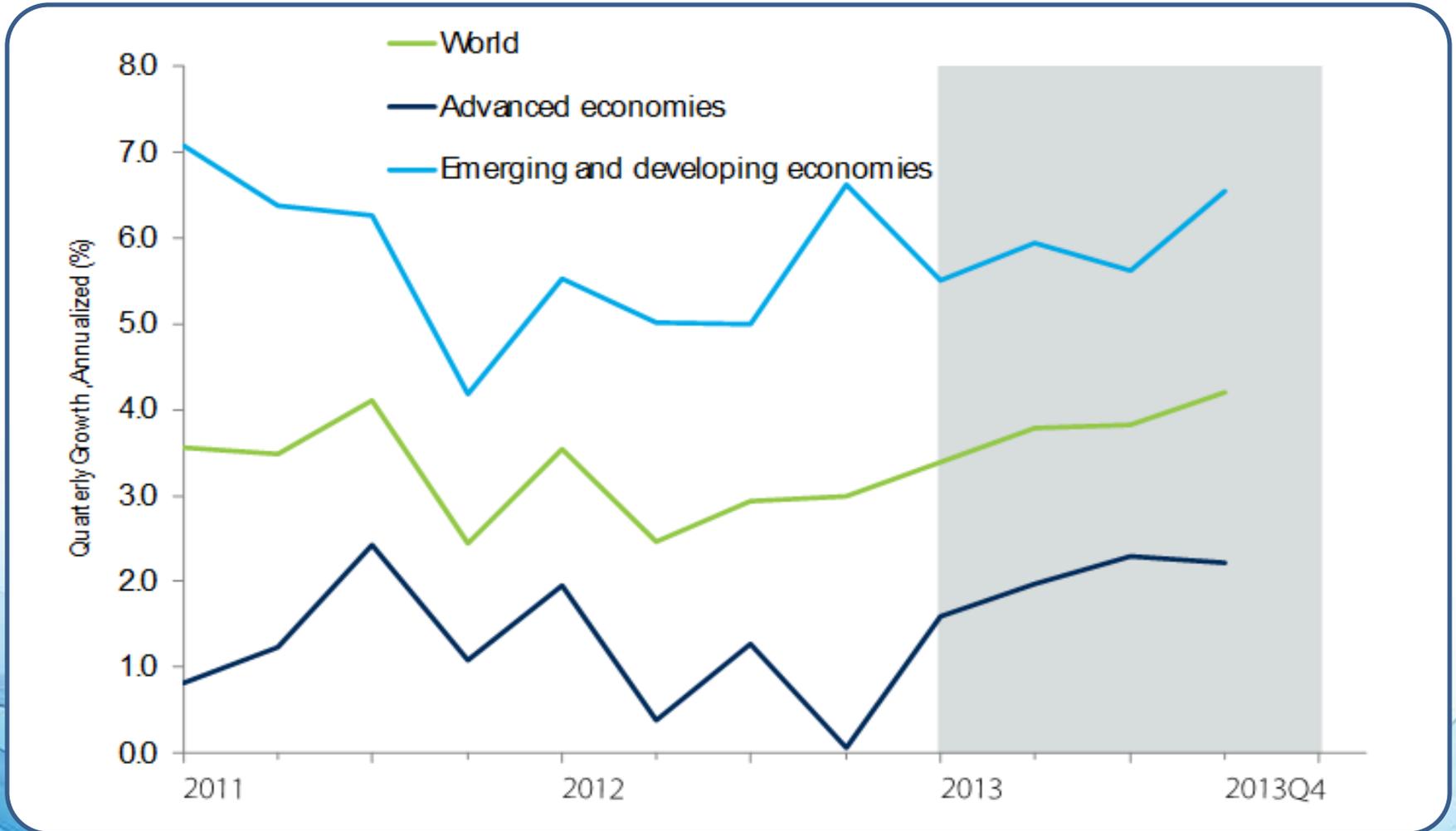
*Have you diverted cargo or made other shipping changes as a result of the potential for a US East Coast dockworkers' strike?*



*Source: The Federal Reserve Bank of Richmond*

# Global Prospects

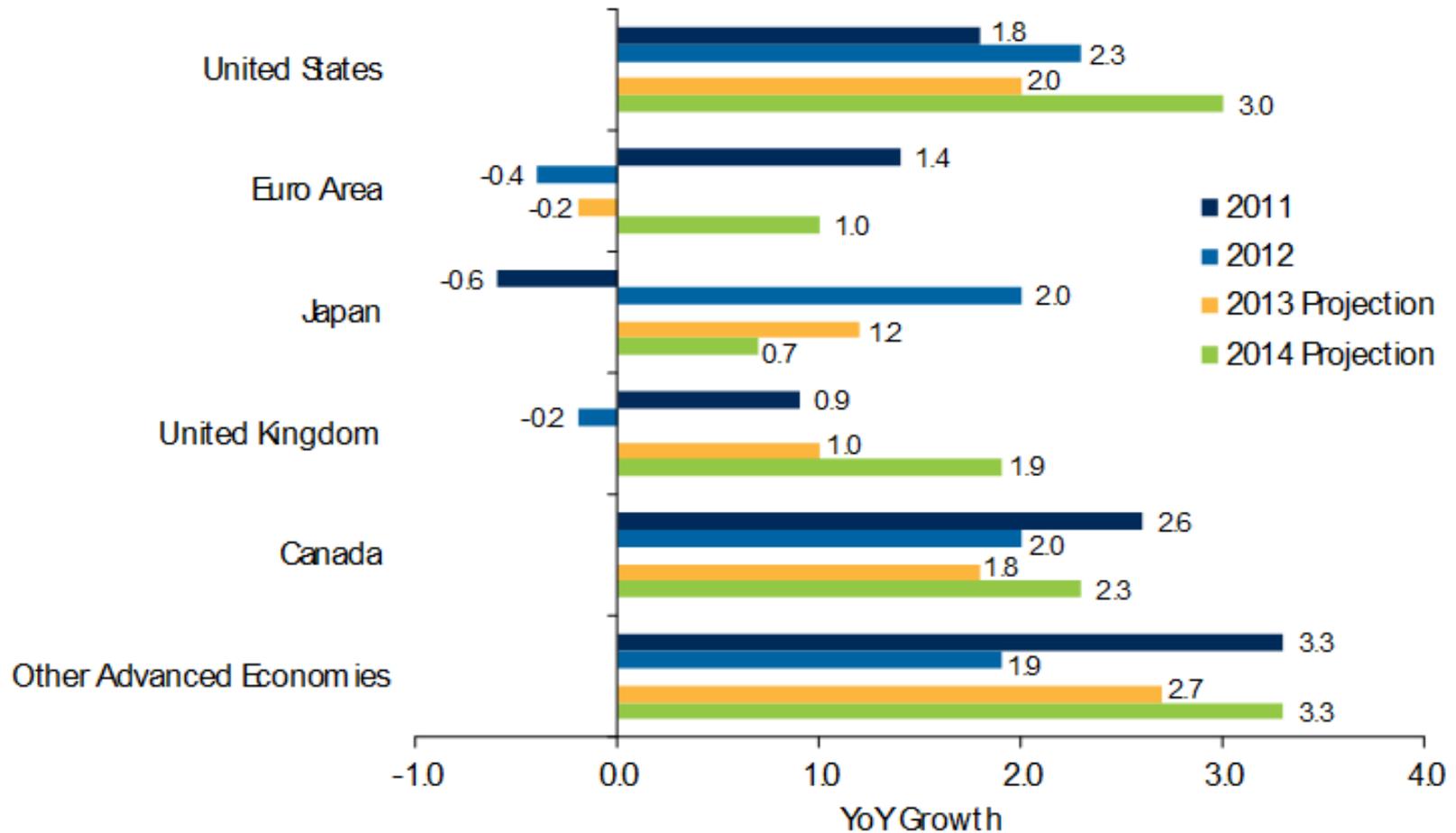
# Global GDP Growth



Source: International Monetary Fund,  
WEO Update, January 23, 2013

# Projected Output Growth

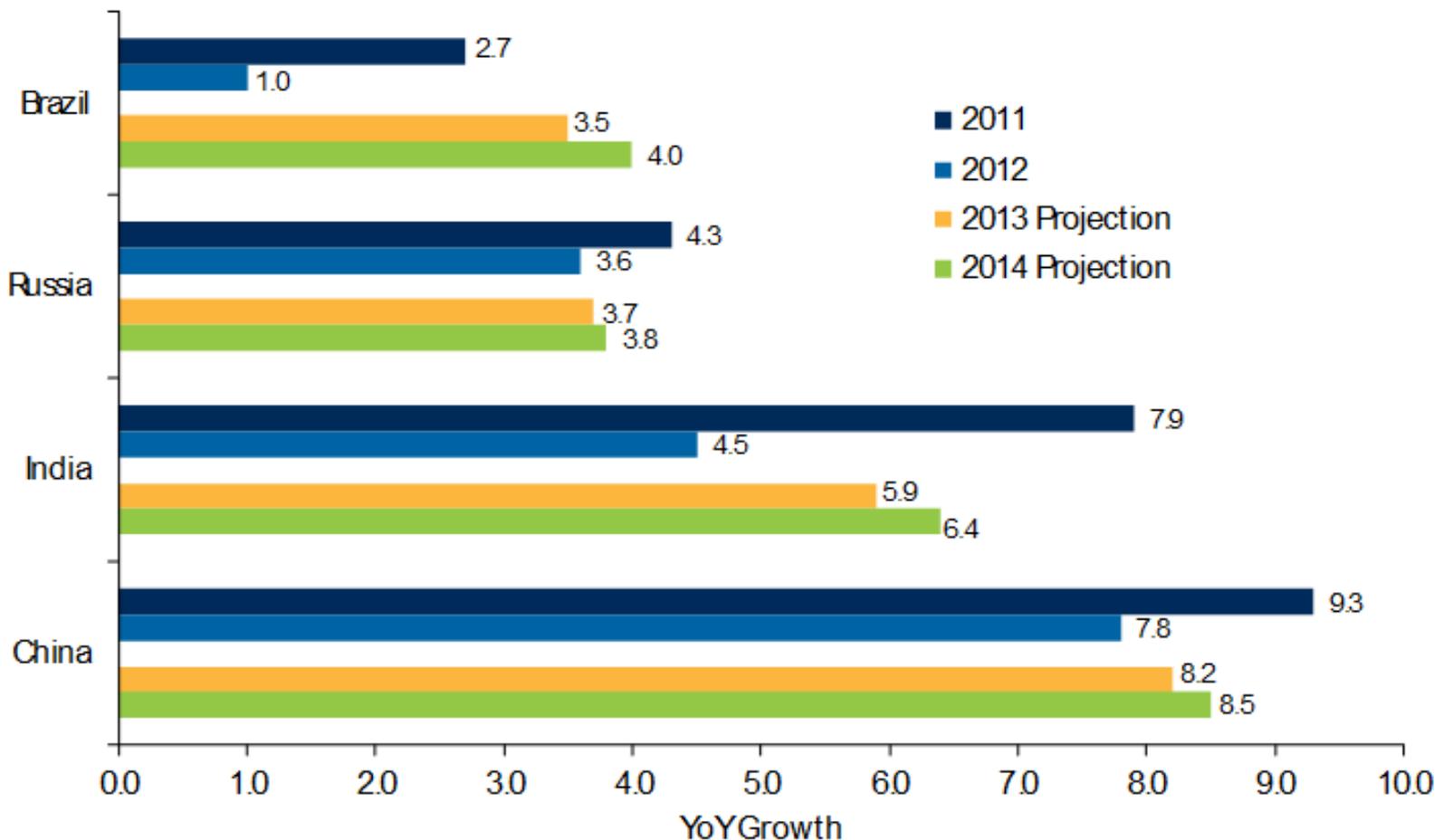
## Advanced Economies



Source: International Monetary Fund,  
WEO Update, January 23, 2013

# Projected Output Growth

## Brazil, Russia, India and China



Source: International Monetary Fund,  
WEO Update, January 23, 2013

# Projected World Trade Volume

	2011	2012	2013f	2014f
<b>World Trade Volume Goods and Services</b>	<b>5.9</b>	<b>2.8</b>	<b>3.8</b>	<b>5.5</b>
<b>IMPORTS</b>				
Advanced Economies	4.6	1.2	2.2	4.1
Emerging Market and Developing Economies	8.4	6.1	6.5	7.8
<b>EXPORTS</b>				
Advanced Economies	5.6	2.1	2.8	4.5
Emerging Market and Developing Economies	6.6	3.6	5.5	6.9

Source: International Monetary Fund,  
WEO Update, January 23, 2013

# Challenges and Opportunities Ahead

- Some pick-up in world GDP growth but, as in the U.S., 2013 looks much like 2012

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- Uncertainty around forecasts (domestic and global) related to U.S. fiscal uncertainties
- Financial markets have improved, allowing for more investment as demand solidifies
- European sovereign debt and banking issues – confidence has improved



The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.

