

Virginia Economic Development Partnership (VEDP) – Economic Development Priorities

VEDP's mission is to cultivate new business investment, foster international trade growth, and encourage the expansion of existing industries, primarily through job creation and investment.

VEDP Business Development Markets

VEDP directs its recruitment and outreach resources towards markets it expects will produce strong gains in employment, higher wages, and new capital investment. It works with local partners to identify broad vertical markets. By then mapping these markets to regional assets, VEDP can best meet the needs of the business clients.

VEDP's key vertical markets include:

- **Advanced Manufacturing and Logistics**, including plastics and polymers, advanced materials, food processing, chemicals and fibers, aerospace, automotive, and logistics
- **Security and Services**, including the federal security agencies and providers, information technology, cyber security, professional and business services, finance and insurance, corporate headquarters, and management operations
- **Science and Research**, focusing mainly on R&D, clean and alternative energy, life sciences, nanotechnology, medical applications and devices, other emerging technologies, and healthcare services

Complementing this market focus, VEDP has developed a series of initiatives to meet its mission goals in strategic areas. These initiatives include:

- The **Distributed Services Initiative** helps communities/regions generate a value case for moving segments of the information technology industry from high-cost locations to areas where operating costs are lower. This initiative meets local workforce development goals and provides skills development in regions needing economic diversification.
- The **Offshore Wind Energy Initiative** helps position Virginia for significant manufacturing and supply chain operations should offshore wind become a viable energy generation option.
- Generating support for the **Tobacco Commission R&D Centers** is crucial to development in Southern and Southwestern Virginia. Through a strategic partnership, VEDP implemented a Scientific and Technical Review Panel as part of the vetting process for companies applying for the Tobacco Indemnification and Community Revitalization Endowment (TICRE)'s R&D grant program funds. Since VEDP assembled the Panel, four companies have been awarded funding through the Tobacco Commission.
- The **Life Sciences Initiative** aims to identify key research themes that will form the core of Virginia's Life Sciences market strategy. VEDP is leading this effort and has engaged with Virginia

research universities and the Administration. Although this process remains under way, leading strategic tracks include:

- Bioinformatics and Medical Informatics
- Point-of-Care Diagnostics
- Drug Discovery and Delivery
- The **Federal Strategic Initiative** whereby VEDP works with various federal agencies to identify strategic and operational needs of the U.S. government.
- The **Strategic Properties Initiative** is aimed at trying to better position some 8,000+ new industrial acres being developed by various regional entities, many of which are in rural areas. VEDP will work closely with the regions to help identify appropriate business markets for these properties.

Virginia's Economic Development Priorities and Industry Strengths

VEDP also uses business and employment statistics to identify the Commonwealth's primary industry sectors. Those industries and subsectors include the following:

- **Aerospace:** Virginia is home to 159 aerospace companies. The largest subsectors for the industry are aerospace technology and aerospace equipment.
- **Automotive:** The automotive industry accounts for 3% of Virginia's total of 6,200 manufacturing establishments. Virginia is home to 173 automotive companies.
- **Plastics and Advanced Materials:** More than 200 plastics companies have located in the Commonwealth, employing more than 24,800 Virginians.
- **Corporate Headquarters:** Virginia's pro-business climate, global access, and talented workforce combine to make the ideal location for corporate headquarters. Virginia is home to more than 70 headquarters that earn at least \$600 million in revenue each year.
- **Energy:** Virginia is home to 384 energy companies. The top subsectors for the energy industry are traditional power generation and fossil fuel sources.
- **Food Processing:** In 2008, Virginia's food processing industry employed more than 34,700 people, or 12.7% of Virginia's total manufacturing employment.
- **Global Logistics:** Virginia's highway and rail infrastructure makes the Commonwealth an ideal location for distribution to Eastern U.S. and Midwest markets.
- **Life Sciences:** In 2008, the life sciences industry accounted for more than 16,200 jobs in over 700 firms in Virginia.
- **Information Technology:** With more than 285,000 high-technology jobs in Virginia in 2008, Virginia has the highest percentage of technology workers in the country and is ranked 5th in total high-technology employment.
- **Modeling and Simulation:** Virginia has 190 companies applying modeling and simulation technology to defense, health care, aerospace, transportation, and entertainment industries.

Wood Products: This sector represents Virginia's largest number of manufacturing establishments. The top three subsectors for wood products are household and institutional furniture and kitchen cabinet manufacturing, other wood product manufacturing, and sawmill and wood preservation.