

Data on Manufacturing Industries for First Quarter 2009 – Published July 2009  
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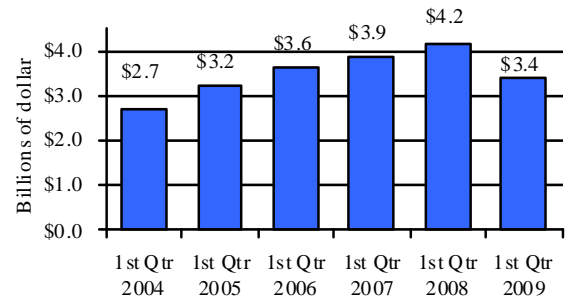
## Export Trends Catch Up to Employment Trends

In response to the global economic downturn, Minnesota's exports from manufacturing industries for the first quarter of 2009 fell to \$3.4 billion, a decline of 19.4 percent (or \$813 million) compared to the first quarter of 2008. However, Minnesota's exports fared slightly better than U.S. manufactured exports as a whole, which dropped 22 percent.

Despite the overall decline for the first quarter, three manufacturing sectors in Minnesota experienced some growth. Quarterly exports increased for Minnesota manufacturing industries involved in miscellaneous (including medical) products, petroleum products and apparel.

In contrast, from a nationwide perspective, exports from all U.S. manufacturing industries contracted.

Minnesota's Quarterly Manufactured Exports



## Exports Fall To All But Four Top 10 Markets

- Minnesota businesses increased sales to four of the state's top 10 export countries: **Ireland, Germany, Belgium and Australia**. With other markets facing downward trends, **Australia** moved up to ninth from 13<sup>th</sup> in the first quarter of 2008, fueled by strong growth in transportation equipment and especially railway-related goods.
- Sales to **Ireland** jumped 80 percent to \$307 million, driven by strong gains in medical-related exports, which accounted for 72 percent of exports to this country. Exports of electrical equipment grew strongly, from \$1.2 million to \$23.1 million between the first quarters of 2008 and 2009.
- The state's steady export gains to **Belgium** were based on increased sales of machinery and miscellaneous goods, while those to **Germany** were fueled by increased demand for computer and electronics products.
- Exports decreased the greatest to **Canada** (down \$350 million) and the **Philippines** (down \$124 million). Other countries to which exports fell by \$50 million or more were the **Netherlands, Japan, China and France**.

Growth in Manufactured Exports, by Country  
 Between First Quarters of 2008 and 2009

Country	Exports (millions)	1 <sup>st</sup> Qtr 2008 to 1 <sup>st</sup> Qtr 2009		1 <sup>st</sup> Qtr 2009 MN Distr.
		MN	US	
Canada	\$ 836	-30%	-27%	24.8%
Ireland	307	80%	-23%	9.1%
China	236	-18%	-21%	7.0%
Germany	192	5%	-16%	5.7%
Mexico	157	-11%	-18%	4.7%
Japan	155	-26%	-23%	4.6%
Belgium	150	8%	-28%	4.4%
U. K.	133	-25%	-14%	4.0%
Australia	107	6%	-14%	3.2%
Netherlands	106	-35%	-22%	3.2%
Other	989	-29%	-22%	29.3%
<b>Total</b>	<b>\$ 3,369</b>	<b>-19%</b>	<b>-22%</b>	<b>100.0%</b>

Top Growing Country-Industry Markets,  
 1<sup>st</sup> Qtr 2008 to 1<sup>st</sup> Qtr 2009  
 (Ranked by Change in Value)

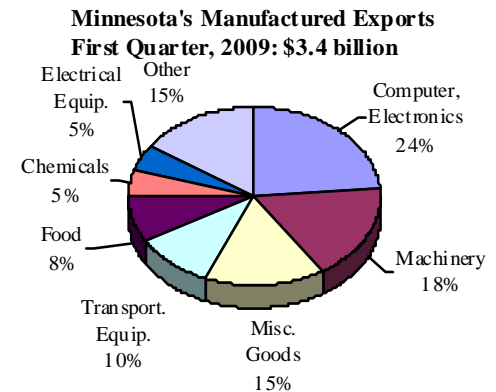
Country	Industry	Exports (millions)	Value Change (millions)	Percent Change
Ireland	Miscellaneous	\$ 220	\$ 117	114%
Germany	Computers, Electr.	115	30	35%
Ireland	Electrical Equip.	23	22	1823%
Singapore	Machinery	35	17	95%
Belgium	Machinery	76	12	19%
Australia	Transport. Equip.	27	10	62%

### Except for Miscellaneous Products, Exports from Most Major Industries Decrease Sharply

- The **miscellaneous (including medical) products** industry was the only major industry to experience an increase in exports between the first quarters of 2008 and 2009.
- Sales of **miscellaneous products** (primarily medical products for Minnesota) increased 19 percent, driven by sales to **Ireland**, which grew 114 percent (or \$117 million) to \$220 million. Belgium, the second-largest market for these goods from Minnesota businesses, also had strong growth (up 18 percent to \$48 million).
- **Petroleum-related** exports grew 65 percent to \$25 million, driven by growth to **Canada**.
- Demand for the state's **computer and electronics products** fell \$234 million (or 23 percent), largely due to weaker exports to **the Philippines**, where sales dropped 81 percent to \$29 million. The one bright spot was **Germany**, where demand (for largely computer components) jumped 35 percent to \$115 million.

#### Growth in Manufactured Exports, by NAICS Industry Between First Quarters of 2008 and 2009

NAICS Industry	Exports (\$ Millions)	1 <sup>st</sup> Qtr 2008 to 1 <sup>st</sup> Qtr 2009		1 <sup>st</sup> Qtr 2009 MN Distr.
		MN	US	
Computers, Electronics	\$ 784	-23%	-22%	23.3%
Machinery	595	-14%	-17%	17.6%
Miscellaneous	519	19%	-16%	15.4%
Transportation Equip.	349	-35%	-29%	10.3%
Food	279	-24%	-11%	8.3%
Chemicals	167	-33%	-16%	5.0%
Electrical Equipment	163	-12%	-21%	4.8%
Fabricated Metal	109	-19%	-14%	3.2%
Paper	108	-32%	-18%	3.2%
Plastics, Rubber	84	-27%	-19%	2.5%
Other	213	-26%	-32%	6.3%
<b>Total</b>	<b>\$ 3,369</b>	<b>-19%</b>	<b>-22%</b>	<b>100.0%</b>



### Export Growth in Medical-Related Products Continues

- *Optic Equipment, Medical Instruments*: Strong sales growth in worn or carried medical devices and orthopedic joints and parts -- up 53 percent to \$343 million, -- was driven mainly by exports to Ireland. Sales of medical and surgical instruments saw a steady uptick of 6 percent to \$227 million through exports to diverse markets, the largest being the Netherlands and Belgium.
- *Machinery*: Major product areas that recently had strong export growth declined, such as centrifuges, filters and related parts, liquid- or sand-dispersing machinery, parts for lifting equipment and pumping machinery.
- *Transportation equipment*: Weaker demand prevailed in most major areas such as motor trucks, small passenger vehicles (such as snowmobiles), public transportation vehicles and recreational boats. However, sales of aircraft-related goods rose 3 percent to \$73 million, while those of railway service vehicles jumped from \$2 million to \$23 million, between the first quarters of 2008 and 2009.

Harmonized System Industry	MN Exports (\$ Millions)	1 <sup>st</sup> Qtr 2008 – 1 <sup>st</sup> Qtr 2009 Change
90 Optic Equip., Medical Instr.	\$ 802	7%
84 Machinery	794	-15%
85 Electrical Machinery	426	-32%
87 Vehicles, not Railway	252	-40%
39 Plastic	151	-36%
88 Aircraft, Spacecraft	73	3%
23 Food Waste; Animal Feed	72	-38%
48 Paper, Paperboard	58	-5%
73 Iron/Steel Products	48	-25%
30 Pharmaceutical Products	48	-42%
38 Misc. Chemical Products	31	-2%
15 Fats and Oils	28	-22%
68 Stone, Plaster, Cement	27	-35%
27 Mineral Fuel/ Oil Products	26	65%
95 Toys and Sports Equipment	23	-4%
86 Railway	23	1107%

*Minnesota Quarterly Export Statistics* is the most current resource available for tracking the state's manufactured export trends and is prepared for the Minnesota Trade Office (MTO) by the Department of Employment and Economic Development's (DEED) Analysis and Evaluation Office (Thu-Mai Ho-Kim, 651-259-7180). Past issues may be viewed at [www.exportminnesota.com/itradestats.htm](http://www.exportminnesota.com/itradestats.htm) and results from manufacturing conditions surveys are located at [www.deed.state.mn.us/facts/manufacturing.htm](http://www.deed.state.mn.us/facts/manufacturing.htm) on DEED's web site.

Exports by state (and by North American Industry Classification System industries) are collected by the U.S. Department of Commerce (USDOC) and are distributed by the World Institute of Social and Economic Research (WISER). Other export data based on the Harmonized Tariff System (Schedule B) are collected by the USDOC and distributed by the Global Trade Information Services.