

Minnesota QUARTERLY EXPORT STATISTICS

Data on Manufacturing Industries for Second Quarter 2009 – Published Oct. 2009
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and Economic Development

Minnesota Manufactured Exports Drop 19% in Second Quarter

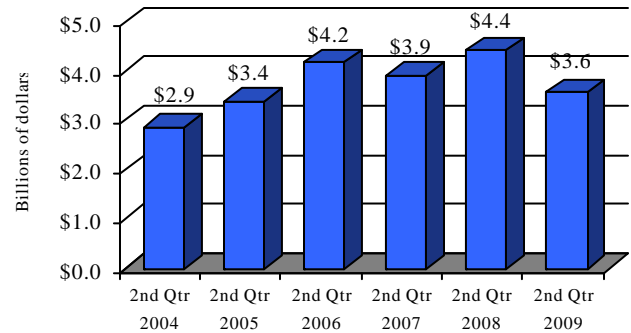
Minnesota's manufactured exports totaled \$3.6 billion in the second quarter of 2009. The state's exports decreased 19 percent between the second quarters of 2008 and 2009. U.S. exports fell by 26 percent in the same period.

Exports from most Minnesota manufacturing industries declined significantly, with three of the top four largest industries suffering the largest declines: computers and electronics, transportation equipment and machinery. Exports to all regions declined.

The most severe declines were to North America (down 25 percent to \$1.1 billion) and the European Union (down 24 percent to \$961 million).

During the first six months of 2009, Minnesota exports dropped 19.2 percent compared to 24.1 percent nationally.

Minnesota's Quarterly Manufactured Exports



Exports Increase to Two of the State's Top 10 Markets

- Among the state's top 10 country markets, only **China** and **Korea** experienced an increase in Minnesota exports during this period.
- **Malaysia** (Minnesota's 11th largest export market) and **Saudi Arabia** (19th largest) posted the largest gains in value during this period. Exports to Malaysia jumped \$44 million to \$93 million, while those to Saudi Arabia jumped \$16 million to \$36 million.
- Strong sales of machinery, food and fabricated metals to **China** helped to mitigate declines in computers and electronics, chemicals and primary metals.
- Exports to **Korea** increased by 9 percent, driven by strong demand for machinery (up 102 percent to \$50 million). Machinery was the dominant export and accounted for 35 percent of the state's exports to this market.

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

Country	Exports (millions)	2 nd Qtr 2008 to 2 nd Qtr 2009		Year-to-Date MN Change
		MN	US	
Canada	\$ 943	-25%	-31%	-27%
China	330	0%	-15%	-8%
Ireland	223	-7%	-6%	29%
Japan	163	-12%	-30%	-20%
U.K.	147	-25%	-22%	-25%
Mexico	145	-21%	-22%	-16%
Germany	144	-19%	-30%	-7%
Korea	144	9%	-26%	-12%
Belgium	138	-17%	-30%	-5%
Netherlands	96	-40%	-13%	-37%
Other	1,125	-20%	-27%	-23%
Total	\$ 3,597	-19%	-26%	-19%

Top 5 Growing Country-Industry Markets, 2nd Qtr 2008 to 2nd Qtr 2009

Country	Industry	Exports (millions)	2 nd Qtr 2008 to 2 nd Qtr 2009	
			Value Change	Percent Change
Malaysia	Comp, Electronics	\$ 57	\$ 36	179%
Korea	Machinery	50	25	102%
Saudi Arabia	Comp, Electronics	22	20	1257%
China	Machinery	90	15	21%
Ireland	Comp, Electronics	63	15	31%

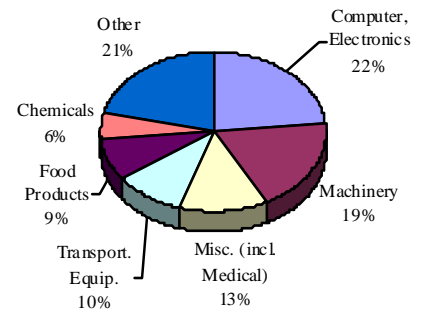
Export Growth Was Limited to Selected Industries and Countries

- Although exports from three of Minnesota's top four manufacturing industries – **computers and electronics** (down \$188 million), **transportation equipment** (down \$187 million) and **machinery** (down \$89 million) – fell sharply between the second quarters of 2008 and 2009, some markets for these industries grew strongly.
- Strong gains in sales of **computer and electronics** products to **Malaysia, Saudi Arabia** and **Ireland** helped to offset substantially weaker demand in the **Philippines** (down 65 percent to \$53 million), multiple countries in the **European Union** and **Canada**.
- Demand for Minnesota's **machinery** products increased strongly in **Korea, China, Malaysia and Taiwan**. In contrast, sales of these products to **Canada** and **Belgium** (two of the top three markets) dropped significantly.
- **Petroleum and coal products** was Minnesota's only manufacturing industry that had increased exports during this period. Exports grew 184 percent to almost \$23 million and were virtually all shipped to **Canada**.

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

Industry	Exports (millions)	2 nd Qtr 2008 to 2 nd Qtr 2009		Year-to-Date MN Change
		MN	US	
Computer, Electronics	\$ 831	-18%	-23%	-21%
Machinery	687	-12%	-27%	-13%
Misc. (incl. Medical)	463	-10%	-20%	3%
Transportation Equip.	354	-35%	-34%	-35%
Food Products	307	-19%	-13%	-21%
Chemicals	201	-21%	-17%	-27%
Electrical Equipment	153	-23%	-26%	-18%
Paper	144	-9%	-19%	-20%
Fabricated Metals	126	-16%	-20%	-18%
Plastics, Rubber	110	-7%	-18%	-17%
Other	222	-33%	-35%	-30%
Total	\$ 3,597	-19%	-26%	-19%

Minnesota's Manufactured Exports
Second Quarter, 2009: \$3.6 billion



Machinery, Electrical Machinery and Transportation Products Suffer Large Export Declines

- **Machinery:** In **Belgium**, sales of the state's machinery products (notably, centrifuges and filters; and liquid- and sand-dispersing equipment) plunged 52 percent to \$42 million. Sales to **Canada** and the **U.K.** were also down (by about \$33 million each), mainly for lifting equipment (Canada), spark-ignition engines (Canada) and computer-related parts (U.K.).
- **Optics, Medical Instruments:** Strong growth in sales of optic fiber products to **Korea** (up 652 percent to \$28 million) and **Japan** (up 107 percent to \$27 million), and of navigational products to the **United Arab Emirates** (from \$34,600 to \$10 million) and the **United Kingdom** (up 332 percent to \$5 million) helped offset lower sales of orthopedic/artificial body parts and calibration instruments.
- **Electrical Machinery:** The fall in exports of integrated circuits by 58 percent to \$83 million largely contributed to the drop in exports of electrical machinery. The **Philippines** accounted for most of that drop.

Harmonized Tariff System Industry	Exports (millions)	2 nd Qtr 2008 – 2 nd Qtr 2009	
		Value Change	Percent Change
84 Machinery	\$ 847	\$ -163	-16%
90 Optics, Medical Instruments	805	12	2%
85 Electrical Machinery	445	-213	-32%
87 Vehicles/ Not Railway	286	-123	-30%
39 Plastic	214	-31	-13%
23 Food Waste; Animal Feed	96	-35	-26%
88 Aircraft/Spacecraft	75	-15	-17%
30 Pharmaceutical Products	67	-11	-14%
48 Paper/Paperboard	57	-7	-11%
73 Iron/Steel Products	44	-27	-38%
Other	660	-231	-26%
Total	\$ 3,597	\$ -843	-19%

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 and results from manufacturing conditions surveys are located at www.deed.state.mn.us/facts/manufacturing.htm on DEED's web site.

Industry-level export data based on North American Industry Classification System industries (NAICS) are collected by the U.S. Department of Commerce (USDOC) and are distributed by the World Institute of Social and Economic Research (WISER). Product-level export data based on the Harmonized Tariff System (Schedule B) are collected by the USDOC and are distributed by the Global Trade Information Services. Product-level export data provide additional information and insights on the industry-level export data.