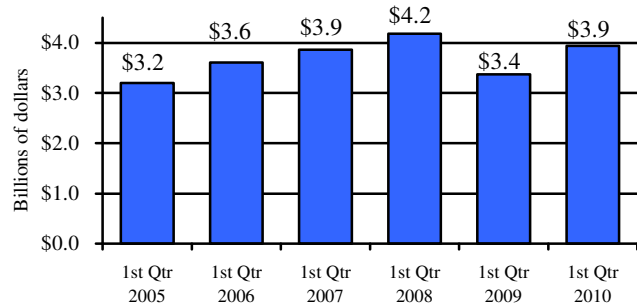


Exports Bounce Back: Increase of 17 Percent in the First Quarter

Minnesota export trends turned around in the first quarter of 2010, gaining 17 percent from the same period a year ago – the first year-over-year quarterly increase since the third quarter of 2008. The state exported \$3.9 billion in manufactured exports in the first quarter of 2010, representing a gain of \$569 million from the first quarter of 2009.

Minnesota's exports grew slightly less than U.S. manufactured exports, which gained 20 percent during the same period.

Minnesota's Quarterly Manufactured Exports



Booming Exports to Asia Jump 75 Percent

- The state's manufactured exports to **Asia** jumped 75 percent (up \$577 million) to \$1.3 billion, exceeding U.S. growth to this region of 41 percent. Minnesota exports to **North America** increased 20 percent to \$1.2 billion and to the **Middle East** gained 22 percent to \$89 million. However, exports to other regions fell – particularly the **European Union** (down 17 percent), mainly due to **Ireland**, where exports plunged 61 percent.
- Between the first quarters of 2009 and 2010, the state's top two markets had the largest gains in export value, each increasing exports by around \$158 million. Sales to **China (including Hong Kong)** jumped 67 percent to \$395 million, fueled by strong gains in machinery, paper and chemical products. Export gains to **Canada** were driven by strong growth in transportation equipment, as well as chemical products.
- After China and Canada, **Japan, Taiwan, South Korea, Thailand** and **the Philippines** contributed the next largest gains in exports. The state's exporters increased their sales by more than \$50 million in each of these Asian countries. Computers and electronics, miscellaneous products and chemicals contributed the most to export growth in **Japan**, while machinery and transportation equipment contributed the most to growth in **Taiwan**.

Growth in Manufactured Exports, by Country
Between First Quarters of 2009 and 2010

Country	Exports (millions)	1 st Qtr 2009 to 1 st Qtr 2010		1 st Qtr 2010 MN Distr.
		MN	US	
Canada	\$ 994	19%	24%	25%
China	395	67%	45%	10%
Japan	242	56%	15%	6%
Mexico	193	23%	28%	5%
Germany	171	-11%	2%	4%
South Korea	153	66%	68%	4%
U.K.	141	6%	5%	4%
Belgium	141	-6%	12%	4%
Ireland	120	-61%	-4%	3%
Singapore	118	33%	33%	3%
Other	1,271	24%	13%	32%
Total	\$ 3,938	17%	20%	100%

Top Growing Country-Industry Markets,
Between First Quarters of 2009 and 2010
(Ranked by Change in Value)

Country	NAICS Industry	Exports (millions)	Percent Change	Value Change (millions)
Canada	Transportation	\$ 234	38%	\$ 65
Philippines	Computers, Electronics	81	181%	52
China	Machinery	95	77%	42
Thailand	Computers, Electronics	45	735%	40
Malaysia	Computers, Electronics	57	157%	35

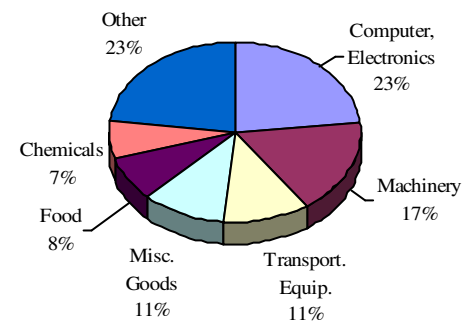
Exports from Most Major Industries Increase Sharply, Except for Miscellaneous Products

- Demand for the state's **computer and electronics products** gained \$139 million (or 18 percent) – the largest gain among all industries, largely due to stronger exports to **the Philippines** (up 181 percent to \$81 million), **Thailand** (up 735 percent to \$45 million) and **Malaysia** (up 157 percent to \$57 million).
- Minnesota's sales of **chemical** products also performed well, jumping almost \$100 million to \$264 million fueled by opportunities in **Canada** (up 63 percent to \$64 million), **China** (up 174 percent to \$32 million), **Japan** (up 96 percent to \$27 million) and **South Korea** (up 229 percent to \$19 million).
- The only major industry to decrease exports during this period was the **miscellaneous (including medical) products** industry. These exports dropped mainly due to decreased demand in Ireland (down from \$220 million to \$62 million). However, sales of these goods performed strongly to **China, Japan and Germany**.

Growth in Manufactured Exports, by NAICS Industry Between First Quarters of 2009 and 2010

NAICS Industry	Exports (\$ Millions)	1 st Qtr 2009 to 1 st Qtr 2010		1 st Qtr 2010 MN Distr.
		MN	US	
Computers, Electronics	\$ 924	18%	18%	23%
Machinery	662	11%	9%	17%
Transportation Equip.	434	24%	17%	11%
Miscellaneous	432	-17%	15%	11%
Food	312	12%	21%	8%
Chemicals	264	58%	27%	7%
Paper	181	68%	24%	5%
Electrical Equipment	162	-1%	12%	4%
Fabricated Metal	135	24%	10%	3%
Plastics, Rubber	122	46%	25%	3%
Other	310	46%	33%	8%
Total	\$ 3,938	17%	20%	100%

Minnesota's Manufactured Exports First Quarter, 2010: \$3.9 billion



Strong Export Growth in Four of Top Five Industries (in the Harmonized System)

- **Machinery:** Exports of machinery were valued at \$882 million, up \$87 million. The strongest growing product segments were office machine/computer-related parts, sand or liquid dispersing machinery, and centrifuges and filters. Office machine/computer-related parts were up 120 percent to \$117 million, based on strong performances in **Malaysia** and **Thailand**. Sand or liquid dispersing machinery exports were up 18 percent to \$108 million, with particularly strong gains in **Canada** and **China**.
- **Electrical Machinery:** Expanded opportunities in electrical machinery resulted in export gains of 24 percent (up \$103 million) during this period. The primary driver of growth was integrated circuits products (up 165 percent to \$138 million), based mainly on increased demand in the **Philippines**, but also in **Canada** and **Taiwan**.
- **Plastic:** Dynamic demand for plastic products – particularly self-adhesive materials (up 122 percent to \$115 million) – fueled \$115 million in export gains between the first quarters of 2009 and 2010. Nine **Asian** markets accounted for 60 percent of plastic exports from Minnesota, and most grew by more than 100 percent. **Note:** Some of these products are found in the paper sector under NAICS.
- **Vehicles:** **Canada** drove much of the export growth in vehicles, accounting for \$225 million of these exports.

Harmonized System Industry	MN Exports (\$ Millions)	1 st Qtr 2009 – 1 st Qtr 2010 Change
84 Machinery	\$ 882	11%
90 Optic Equip., Medical Instr.	731	-9%
85 Electrical Machinery	528	24%
87 Vehicles, Not Railway	338	33%
39 Plastic	267	76%
88 Aircraft, Spacecraft	106	46%
23 Food Waste; Animal Feed	96	33%
73 Iron/Steel Products	64	33%
48 Paper, Paperboard	62	8%
30 Pharmaceutical Products	60	24%
68 Stone, Plaster, Cement	49	83%
38 Misc. Chemical Products	44	43%
35 Albumins, Starches, Glue	41	98%
15 Fats And Oils	38	34%
76 Aluminum	33	59%

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 on DEED's website at www.PositivelyMinnesota.com/Data_Publications/Data/Export_Statistics/index.aspx. Exports by state (and by 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). Other export data based on the Harmonized Tariff System (Schedule B) are collected by the USDOC and distributed by the Global Trade Information Services.