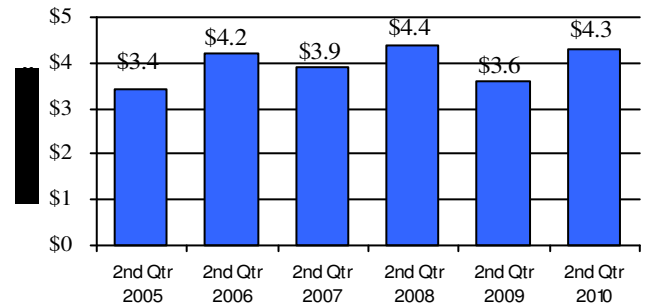


Strong Export Growth Continues into the Second Quarter

Minnesota’s export trend continued into the second quarter of 2010, gaining 19 percent from the same period a year ago. The state exported \$4.3 billion in manufactured goods in the second quarter of 2010, representing a gain of \$681 million. U.S. exports grew slightly faster (up 25 percent) during the same period.

Between the first six months between 2009 and 2010, Minnesota exports grew 18 percent, while U.S. exports grew 22 percent.

Minnesota's Exports, Second Quarter, 2005-2010



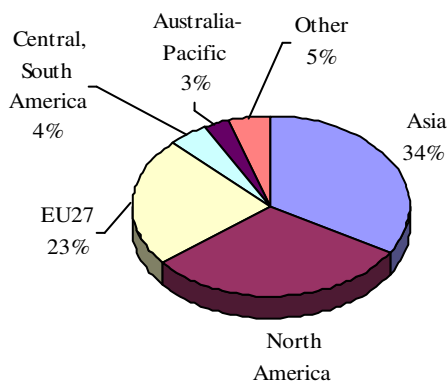
Asian and North American Markets Lead Growth

- The state’s manufactured exports grew the most in value to **Asia** and **North America**. Minnesota exports to **Asia** jumped 36 percent (up \$381 million) to \$1.4 billion, while those to **North America** increased 20 percent (up \$217 million) to \$1.3 billion.
- State exports to most other regions performed well, including to **European countries outside the EU** (up 25 percent to \$93 million) and **Australia/Pacific** (up 30 percent to \$131 million). However, sales to the **Middle East** dropped 22 percent to \$77 million, mainly due to **Saudi Arabia** (down 47 percent to \$19 million).

Top Five Export Partners Drive Export Gains

- Between the second quarters of 2009 and 2010, the state’s top four country markets – **Canada, China, Japan, and Mexico** – posted some of the largest gains in export value, among all markets. **Thailand** (ranked 15th) turned in the fourth largest gain (up \$60 million, or 192 percent, to \$92 million).
- Ireland** was one of the few markets to experience large losses during the second quarter of 2010, due to the drop in sales of medical-related products. State exports to Ireland tumbled 51 percent to \$109 million, dropping Ireland to the 13th largest market. This trend dampened export growth to the **European Union** (up 4 percent to \$1.0 billion). However, countries such as **Germany** (up 23 percent), **France** (up 39 percent), **the Netherlands** (up 49 percent), **Spain** (up 27 percent), **Italy** (up 21 percent) and **Belgium** (up 7 percent) performed strongly.

Minnesota Exports, by Region
Second Quarter, 2010



Minnesota Exports, by Country (NAICS data)
Second Quarter, 2010

Country	Exports (millions)	2 nd Qtr 2009 to 2 nd Qtr 2010		Year-to-Date MN Pct. Ch..
		MN	US	
Canada	\$ 1,098	16%	32%	18%
China	448	36%	28%	49%
Japan	222	36%	21%	46%
Mexico	207	42%	37%	32%
Germany	177	23%	14%	3%
Korea	160	11%	41%	33%
Belgium	147	7%	17%	0%
Netherlands	143	49%	-1%	26%
U.K.	142	-3%	2%	1%
Singapore	137	58%	49%	45%
Other	1,397	11%	21%	8%
Total	\$ 4,278	19%	25%	18%

Strong Export Growth In Computers, Electronics, Machinery And Transportation Goods

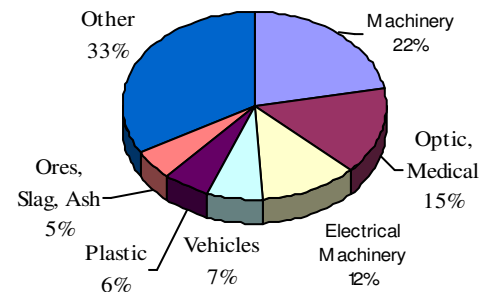
- Exports of **computers and electronics** increased by \$186 million to over \$1 billion. Strong gains in sales were widespread, including to **Thailand** (up 448 percent to \$57 million), the **Philippines** (up 67 percent to \$89 million) and **China** (up 48 percent to \$109 million). The following product segments performed particularly well: office machine parts in **China** and **Thailand**; and integrated circuits to the **Philippines** and **Canada**.
- Machinery exports** increased \$109 million to \$796 million during this period. China (up 39 percent to \$125 million), Singapore (up 82 percent to \$44 million) and Canada (up 12 percent to \$177 million) contributed the most to growth. Centrifuges/filters and liquid/sand dispersing machinery were strong products in **China**.

The **Netherlands** and **Canada** fueled much of the growth in **transportation equipment** exports. **Canada** is the dominant market with \$245 million in exports, followed by the Netherlands with \$42 million. Sales to the Netherlands jumped from \$2 million to \$42 million, and were driven by civilian aircraft (\$41 million)

Minnesota Exports, by NAICS Industry Group
Second Quarter, 2010

NAICS Industry	Exports (millions)	Percent Change: 2009-Q2 to 2010-Q2		Year-to-Date Percent. Change: MN
		MN	US	
Computers, Electronics	\$ 1,017	22%	24%	20%
Machinery	796	16%	26%	14%
Transportation Equipment	488	38%	24%	31%
Miscellaneous (incl. Medical)	405	-12%	20%	-15%
Food	326	6%	14%	9%
Chemicals	275	37%	19%	46%
Paper	186	29%	28%	46%
Electrical Equipment	163	7%	26%	3%
Fabricated Metal	148	18%	22%	21%
Plastics, Rubber	134	22%	28%	32%
Other	340	53%	40%	50%
Total	\$ 4,278	19%	25%	18%

Minnesota Exports, by HS Product Group (two-digit level)*
Second Quarter, 2010



*Total includes manufacturing, agricultural commodities and mining products

Continued Growth from Major Product Groups, Except for Optic/Medical Products

- Complementary data is available through the Harmonized System of product codes. According to these data, the top exported products are **machinery** (\$1.0 billion, includes computers and related components), **optic and medical products** (\$723 million), **electrical machinery** (\$573 million, includes integrated circuits), **vehicles** (\$327 million) and **plastic products** (\$287 million). Non-manufactured products among the top 10 product groups are **ores, slag and ash** (\$230 million) and **miscellaneous grain, seed and fruit** (\$82 million).

HS Product Group <i>*(includes manufacturing, agriculture, mining products)</i>	Exports (millions)	Percent Change: 2009-Q2 to 2010-Q2	
		MN	US
84 Machinery (incl. computer)	\$ 1,043	23%	25%
90 Optic, Medical Instr.	723	-10%	15%
85 Electrical Machinery	573	29%	29%
87 Vehicles, Not Railway	327	14%	58%
39 Plastic	287	33%	32%
26 Ores, Slag, Ash	230	2265%	92%
88 Aircraft, Spacecraft	146	93%	-8%
23 Food Waste, Animal Feed	100	4%	0%
12 Misc Grain, Seed, Fruit	82	31%	-35%
73 Iron and Steel Products	82	85%	24%
Other	1,188	30%	28%
Total	\$ 4,781	26%	25%

- Ores, slag and ash** (mostly iron ores) posted the largest gain in value among all two-digit HS groups (up \$221 million). The top five countries – **Canada** (\$120 million), followed by **Germany** (\$48 million), **France** (\$30 million), **Spain** (\$18 million) and **Belgium** (\$15 million) – bought virtually 100 percent of the state's exports.

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.