

Minnesota QUARTERLY EXPORT STATISTICS

Data on Manufacturing Industries for Third Quarter 2010 – Published Nov. 2010
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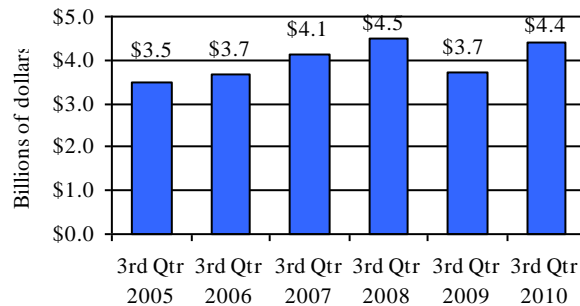
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Minnesota Exports Continue Rebound in the Third Quarter

As the national economy slowly recovers, Minnesota's manufactured exports continue to grow strongly, for the third consecutive quarter this year. State exports totaled \$4.4 billion in the third quarter of 2010, showing an increase of 17 percent (or \$649 million) over the third quarter of 2009. U.S. exports grew 19 percent.

In contrast to the somber trends of 2009, Minnesota exports have gained 18 percent over the year-to-date (first nine months of 2010, compared to the same period of 2009), while U.S. exports have grown 21 percent.

Minnesota's Quarterly Manufactured Exports



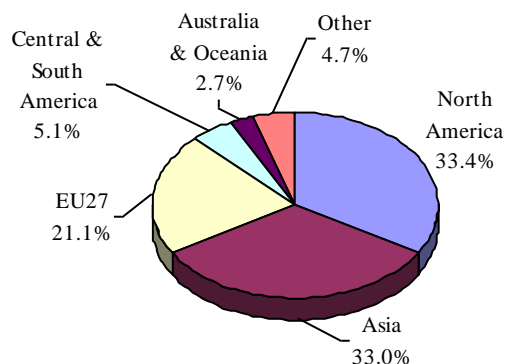
Strong Regional Performances in Asia and the Americas

- **North America** (\$1.5 billion) and **Asia** (\$1.4 billion) each accounted for one-third of Minnesota manufactured exports in the third quarter of 2010. These regions were leading sources of export growth, each increasing 25 percent since the third quarter of 2009.
- State exports to **Central and South America** jumped 45 percent to \$223 million. Brazil (up 56 percent to \$91 million, ranked 16th) and Chile (up 142 percent to \$30 million, ranked 23rd) contributed the most to this growth.

Most Markets Among Top 10 Show Strong Growth Trends

- **Canada** (up \$262 million) and **China** (up \$134 million) displayed the largest export gains. **Thailand**, **Germany**, **Mexico**, **Taiwan**, **Japan** and **Brazil** were other countries among the state's Top 20 markets that increased exports by more than \$30 million during this period.
- Exports to **Ireland** dropped by about half to \$97 million, dropping the country to the state's 14th-largest market, based on persistent struggling exports of miscellaneous (mainly medical) goods.

Minnesota Exports, by Region
Third Quarter, 2010



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

| Country | Exports (millions) | 3 rd Qtr 2009 to 3 rd Qtr 2010 | | Year-to-Date MN Change |
|--------------|--------------------|--|------------|------------------------|
| | | MN | US | |
| Canada | \$ 1,256 | 26% | 18% | 20% |
| China | 467 | 40% | 29% | 46% |
| Japan | 228 | 17% | 21% | 35% |
| Mexico | 212 | 20% | 23% | 28% |
| Germany | 182 | 25% | 13% | 10% |
| Korea | 149 | 6% | 29% | 23% |
| Belgium | 137 | 7% | 18% | 2% |
| U.K. | 129 | -22% | 6% | -7% |
| Philippines | 116 | 5% | 23% | 40% |
| Singapore | 114 | 12% | 24% | 33% |
| Other | 1,401 | 12% | 18% | 8% |
| Total | \$ 4,391 | 17% | 19% | 18% |

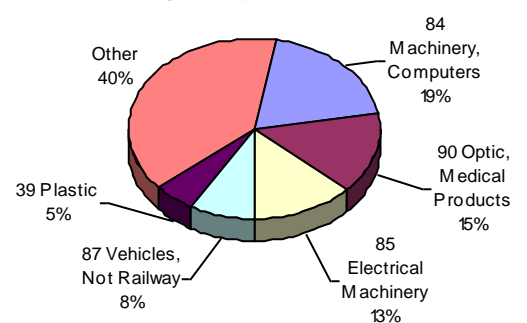
Most Manufacturing Industries Experience Strong Export Growth

- **Machinery** (up \$183 million to \$768 million) and **transportation equipment** (up \$150 million to \$575 million) contributed the most to state export growth during this period. Countries such as **China, Taiwan** and **Germany** led export gains for **machinery** products while **Canada's** increased demand for **transportation equipment** (up \$102 million to \$346 million) contributed much of that industry's export growth.
- **Canada, China, Thailand** and **Japan** were among the many countries that boosted the state's exports of **computer and electronics products**.
- Despite the overall decline in exports of **miscellaneous (including medical) products** (down 13 percent to \$410 million), due primarily to the decline in shipments to Ireland, other markets such as **Germany** (up 30 percent to \$26 million), **China** (up 19 percent to \$38 million) and **Belgium** (up 10 percent to \$50 million) performed strongly.

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

| Industry | Exports (millions) | 3 rd Qtr 2009 to 3 rd Qtr 2010 | | Year-to-Date MN Change |
|------------------------|--------------------|--|------------|------------------------|
| | | MN | US | |
| Computers, Electronics | \$ 980 | 14% | 20% | 18% |
| Machinery | 768 | 31% | 28% | 19% |
| Transportation Equip. | 575 | 35% | 17% | 33% |
| Misc. (incl. Medical) | 410 | -13% | 13% | -14% |
| Food | 323 | 4% | 14% | 7% |
| Chemicals | 263 | 26% | 13% | 39% |
| Electrical Equipment | 194 | 28% | 20% | 11% |
| Paper | 172 | 2% | 17% | 28% |
| Fabricated Metals | 152 | -11% | 23% | 7% |
| Plastics, Rubber | 129 | 19% | 15% | 27% |
| Other | 425 | 52% | 26% | 50% |
| Total | \$ 4,391 | 17% | 19% | 18% |

Minnesota Exports, by 2-digit HS Code Third Quarter, 2010: \$4.9 billion



A Wide Diversity of Products Support Export Growth

- **China** performed strongly across multiple leading growth areas of **machinery products**, which included **office machine parts** (up 39 percent to \$143 million, other leading market: **Thailand**), **liquid- and sand-dispersing machinery** (up 33 percent to \$93 million, other leading market: **Belgium**), **liquid pumping machinery** (up 92 percent to \$38 million) and **machinery for producing semiconductors** (up 123 percent to \$33 million, other leading market: **Taiwan**).
- Continued strong demand for **integrated circuits** (where **the Philippines** is the top market at \$87 million), **telecommunications equipment** and **electric generators** fueled exports of **electrical machinery products**.

| Harmonized Tariff System (HS) Product | Exports (millions) | Distribution | Percent Change |
|---------------------------------------|--------------------|--------------|----------------|
| 84 Machinery | \$ 946 | 19% | 18% |
| 90 Optic Machinery, Medical Instr. | 728 | 15% | -3% |
| 85 Electrical Machinery | 637 | 13% | 30% |
| 87 Vehicles/ Not Railway | 400 | 8% | 13% |
| 39 Plastic | 261 | 5% | 11% |
| 26 Ores/Slag/Ash | 247 | 5% | 970% |
| 88 Aircraft/Spacecraft | 129 | 3% | 77% |
| 23 Food Waste, Animal Feed | 125 | 3% | 21% |
| 73 Iron/Steel Products | 91 | 2% | 62% |
| 10 Cereals | 78 | 2% | 13% |
| Other | 1,245 | 25% | 19% |
| Total | \$ 4,887 | 100% | 22% |

- Exports of **ores, slag and ash** – mining commodities – continued their explosive growth. Exports of these goods increased 970 percent to \$247 million and predominantly consisted of iron ore and related concentrates shipped to **Canada**, the top market for iron ores. Minnesota is largest exporter of iron ores among all states, and accounts for 70 percent of Canada's purchases of these commodities from all states.

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.