

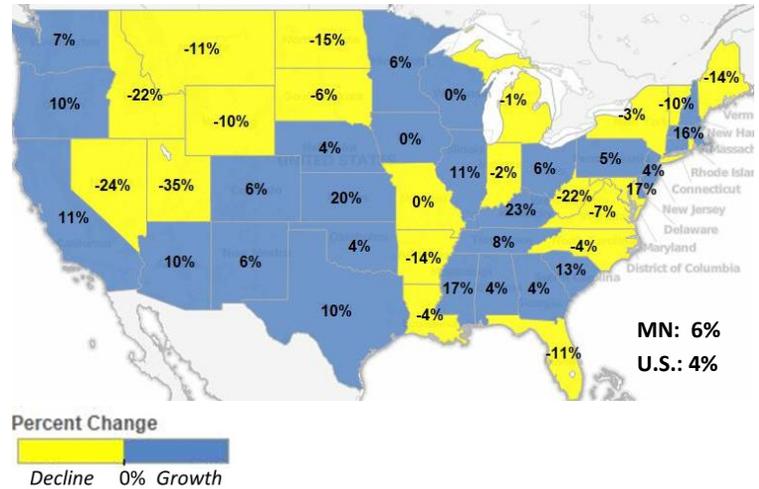
## Exports Jump 6 Percent in the Fourth Quarter

Minnesota exports (including agricultural, mining and manufactured products) were valued at \$5.4 billion, and grew 6 percent between the fourth quarters of 2012 and 2013, exceeding U.S. growth of 4 percent. Minnesota’s quarterly export growth rate has not exceeded 5 percent since the third quarter of 2011.

Referring to only the manufacturing sector, Minnesota manufactured exports – valued at almost \$5 billion in the fourth quarter of 2013 – also grew faster than U.S. manufactured exports (7 percent versus 3 percent).

For 2013 overall, Minnesota exports fell 0.5 percent, while U.S. exports grew 2.1 percent.

Figure 1. Minnesota Is Among Top 19 States With Export Growth Rate Above 5 Percent



## Exports to Asia and the European Union Grow More Than 10 Percent

- The state’s largest exporting region was **North America** (flat at \$1.9 billion).
- The two strongest performing individual markets were **China** (up \$194 million, or 35 percent, to \$743 million) and **Mexico** (up \$107 million, or 32 percent, to \$439 million).
- The next two largest regions, **Asia** (up 12 percent to \$1.7 billion) and the **European Union** (up 11 percent to \$1.1 billion), turned in the largest gains in the fourth quarter of 2013. In **Asia**, the strong growth in exports of **ores/slag/ash, wood pulp, optics/medical products** and **food by-products** offset much weaker demand for **aircraft** and **electrical machinery** products. Meanwhile in the **EU, optics/medical, railway equipment** and **aircraft** exports outperformed other products, mitigating lower demand for **pharmaceutical** and **machinery**.
- Smaller regions with increased exports included the **Middle East** (up 7 percent, to \$94 million), **Africa** (up 11 percent to \$59 million) and **European countries outside the European Union** (up 6 percent to \$135 million).

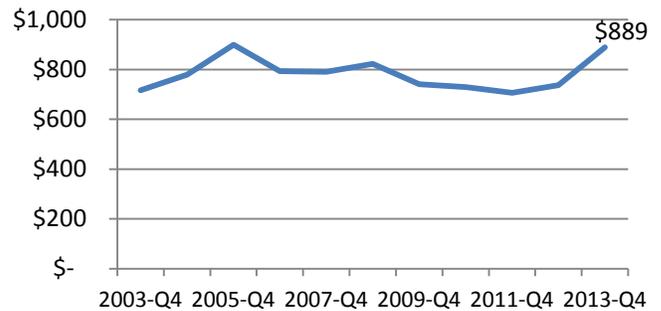
Figure 2. Double-Digit Export Growth in Five of Minnesota’s Top 10 Markets, Fourth Quarter 2013



## Medical Products, Ores, Wood Pulp and Dairy Products Lead Export Gains

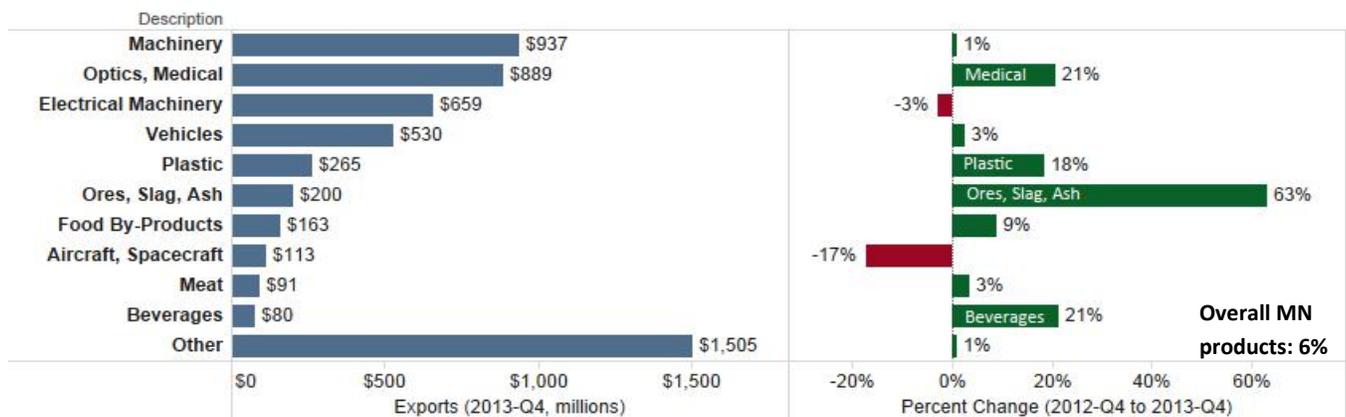
- Between the fourth quarters of 2012 and 2013, **optics/medical** (up \$152 million), **ores, slag/ash** (up \$78 million), **wood pulp** (up \$55 million), **plastic** (up \$41 million) and **dairy** (up \$27 million) showed the strongest growth.
- Optics/medical products** exports surged 21 percent to \$889 million, led by growth in **medical/surgical instruments** (up 20 percent to \$302 million, especially to **Belgium** and **Japan**) and **orthopedic/artificial parts** (up 16 percent to \$150 million, especially to **Canada, Ireland** and **Australia**). **China** (up 25 percent to \$119 million), **Belgium** (up 24 percent to \$108 million) and **Japan** (up 17 percent to \$95 million) were the main markets.

Figure 3. Minnesota Optics/Medical Exports



- The typically volatile exports of **ores, slag and ash** jumped 63 percent to \$200 million in the fourth quarter of 2013. The principal two markets were **China** and **Canada**. Exports of these goods to **China** jumped 295 percent to \$127 million, more than offsetting the drop in exports to **Canada** (down 20 percent to \$72 million).
- Wood pulp** sales, particularly **chemical wood pulp**, grew in emerging markets such as **India** (up \$25 million from \$254,000 in the fourth quarter of 2012) and **Indonesia** (up \$25 million from none).
- Exports of **plastics** were up 18 percent to \$265 million, particularly to **North America**. Sales to **Canada** were up 68 percent to \$48 million, while those to **Mexico** were up 43 percent to \$24 million. The product segments that increased the most were **miscellaneous plastic products, plastic sheets/plates** and **self-adhesive materials**.
- The top export markets for **dairy products** drove export growth: **Vietnam** (up 505 percent to \$6 million), **Canada** (up 90 percent to \$7 million), **China** (up 40 percent to \$10 million) and **Mexico** (up 36 percent to \$14 million). The strongest product segments were **butter/milk fats, milk/cream** and **whey**. Strong growth in other agricultural areas included **cereals** (up 72 percent to \$50 million) and **beverages** (up 21 percent to \$80 million).
- Mineral fuel** products dragged down export growth the most, falling by 60 percent to \$64 million due to sales that plunged by \$94 million to **Canada**, the primary market.
- Iron/steel products** were down 25 percent to \$76 million, mainly due to **iron/steel tubes and pipes**, which fell from \$40 million to \$9 million in the main market, **Canada**.
- Aircraft/spacecraft products** were down 17 percent largely due to plummeting sales to **South Korea** (down \$18 million) and **New Zealand** (down \$17 million), despite strong gains in **Luxembourg** and the **United Kingdom**.

Figure 4. Minnesota Exports by Major Product Group, Fourth Quarter 2013



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). Since 2011, the quarterly and annual statistics reports have primarily covered export data based on the Harmonized Tariff System (Schedule B), collected by the U.S. Department of Commerce (USDOC) and distributed by the Global Trade Information Services. Reports are available on DEED's website at "Export and Trade Statistics" (<http://mn.gov/deed/data/export-stats/>).