

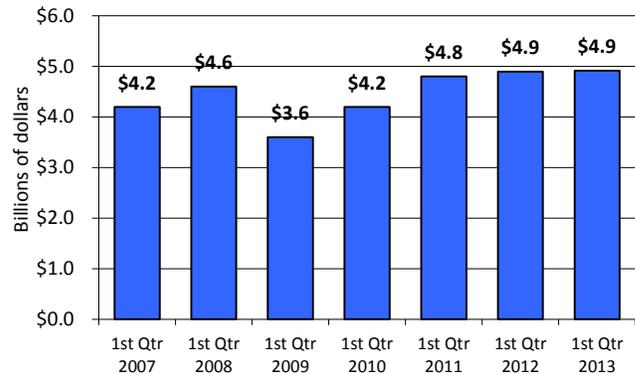
## State Exports Flat in First Quarter

Minnesota exports, including agricultural, mining and manufactured products, remained at \$4.9 billion and showed flat growth (although slightly up by \$17 million) between the first quarters of 2012 and 2013. The state's top 10 markets accounted for 70 percent of state exports. A challenging global economic environment resulted in state exports growing to only four of them.

U.S. exports also showed flat growth during this period. Exports decreased for half of the states.

For the manufacturing sector alone, Minnesota manufactured exports were up 1.6 percent to \$4.5 billion in the first quarter of 2013, higher than the U.S. growth rate of 1 percent.

### Minnesota's First Quarter Exports\*

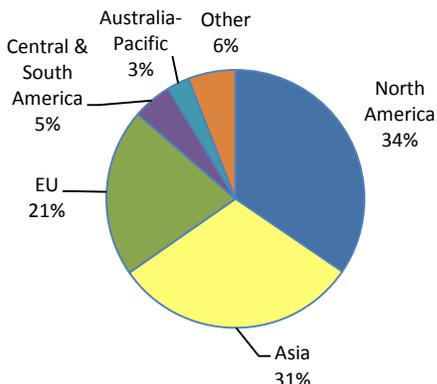


\*Includes manufacturing and non-manufacturing industries, such as agriculture and mining, but not services.

## Export Growth in Most Regions Offsets Export Decline in Asia

- Minnesota exports increased to all regions, except for Asia. Between the top two regions in the first quarter of 2013, Minnesota's exports **North America** (\$1.7 billion) edged out those to **Asia** (\$1.5 billion). Exports to **North America** grew 6 percent, largely due to increased demand in **Canada** (up 8 percent to \$1.4 billion). State exports to **Asia** were down 11 percent, influenced by sharp losses across **Japan, South Korea** and **India**.
- Overall sales to **Europe** performed well for Minnesota businesses, growing 6 percent to \$1.2 billion. In particular, exports to **European markets outside the European Union (EU)** were up 29 percent to \$131 million, while those to the **EU** were up 4 percent to \$1 billion.
- State exports to **Africa** picked up steam, increasing 68 percent to \$68 million in the first quarter of 2013. Other smaller regions also had notable growth: exports to **Central and South America** increased 8 percent to \$239 million while those to the **Australia-Pacific region** increased 4 percent to \$140 million.

### Minnesota Exports, by Region, First Quarter, 2013: \$4.9 billion



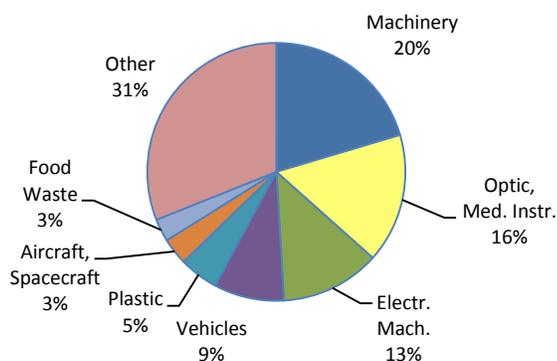
### Growth in Exports, by Country, Between First Quarters of 2012 and 2013

Country	Exports (millions)	1 <sup>st</sup> Qtr 2012 to 1 <sup>st</sup> Qtr 2013		1 <sup>st</sup> Qtr 2013 MN Distr.
		MN	US	
Canada	\$1,404	8%	1%	29%
China	\$533	-3%	7%	11%
Mexico	\$292	-6%	1%	6%
Japan	\$260	-26%	-9%	5%
Belgium	\$177	7%	-5%	4%
Germany	\$174	-1%	-4%	4%
South Korea	\$171	-17%	-9%	3%
Netherlands	\$144	40%	-4%	3%
U.K.	\$141	-12%	-19%	3%
Philippines	\$139	6%	13%	3%
Other	\$1,480	2%	3%	30%
<b>Total</b>	<b>\$4,914</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

## Major Products Provide Expanded Export Opportunities

- The top 10 two-digit product groups accounted for 74 percent of the state's total exports of goods. Although overall growth was flat, exports among the top 10 products increased 5 percent, as a group, between the first quarters of 2012 and 2013. In particular, **aircraft/spacecraft, vehicles** and **beverages** led in export gains.
- Exports of **aircraft/spacecraft** were up 108 percent (or up \$87 million) to \$166 million in the first quarter of 2013. These exports mainly consist of **civilian aircraft parts**. The largest contributors to growth was the **Netherlands** (\$47 million, up \$44 million), followed by **Singapore** (\$10 million, up \$8 million), **South Korea** (\$7 million, up from less than \$120,000) and **New Zealand** (\$14 million, up \$7 million).
- Vehicles** grew 17 percent to \$432 million. **Canada** (up 21 percent to \$242 million) and **Belgium** (up 122 percent to \$25 million) contributed much of the gains. The strongest performing product areas were **passenger cars (including snowmobiles), special purpose vehicles, motor trucks and tractors**.
- International sales of **beverages** increased \$47 million, mainly to **Canada**, which accounted for 98 percent of these exports. The primary growth product segment was **denatured ethyl alcohol**.
- Demand for non-manufactured goods showed more volatility, with sharp declines for **agricultural commodities**, such as **cereals** (down 46 percent to \$52 million) and **miscellaneous grains** (down 28 percent to \$49 million), and **mined goods** such as **ores/slag/ash** (down 47 percent to \$41 million).
- Sales of **meat** dropped sharply (particularly for **fresh or frozen pork**), driven mostly by weaker demand in **South Korea** (down 48 percent to \$15 million) and **Mexico** (down 71 percent to \$4 million).
- Other major products with sharp declines were **plastics** and **machinery**.
  - Plastic** exports were down \$40 million, particularly due to shrinking sales of **self-adhesive materials** and **plastic sheets/plates**. Sales in **China** (down \$10 million to \$54 million) and **Singapore** (down \$13 million to \$18 million) declined the most.
  - Machinery** exports dropped by \$42 million due to decreased sales in some major markets such as the **United Kingdom, France, India, Japan** and **Brazil**. The most adversely affected product segments included **computers and computer parts, machinery for producing semi-conductors, and spraying machinery**.

**Minnesota Exports by 2-Digit HS Group\*,  
First Quarter, 2013: \$4.9 billion**



\*Includes manufacturing and non-manufactured industries, such as agriculture and mining, but not services. Chart shows products with more than \$100 million in exports.

**Growth in Exports, by 2-Digit HS Group\*,  
Between First Quarters of 2012 and 2013**

Harmonized System 2-Digit Product Group	Exports (\$ Millions)	1 <sup>st</sup> Qtr 2012 to 1 <sup>st</sup> Qtr 2013	
		MN	US
84 Machinery	\$ 1,001	-4%	-5%
90 Optic, Medical Instr.	\$ 797	2%	1%
85 Electrical Machinery	\$ 612	0%	1%
87 Vehicles	\$ 432	17%	0%
39 Plastic	\$ 240	-14%	2%
88 Aircraft, Spacecraft	\$ 166	108%	4%
23 Food Waste	\$ 140	35%	57%
27 Mineral Fuel, Oil	\$ 94	61%	0%
22 Beverages	\$ 84	126%	-7%
02 Meat	\$ 79	-21%	-4%
Other	\$ 1,268	-12%	1%
<b>Total</b>	<b>\$ 4,914</b>	<b>0%</b>	<b>0%</b>

Note: Column may not sum to total due to rounding.

*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 Valuation Office (Thu-Mai Ho-Kim, 651-259-7180). Starting with the first quarter 2011, the quarterly and annual statistics reports primarily cover 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, rather than data based on the North American Industry Classification System industries (NAICS), collected by the USDOC and distributed by the World Institute of Social and Economic Research. Thus, reports covering 2011 and later data may not be comparable to previously published reports. All reports are available on the DEED website on the [Export Statistics page \(www.PositivelyMinnesota.com/Data\\_Publications/Data/Export\\_Statistics/index.aspx\)](http://www.PositivelyMinnesota.com/Data_Publications/Data/Export_Statistics/index.aspx).