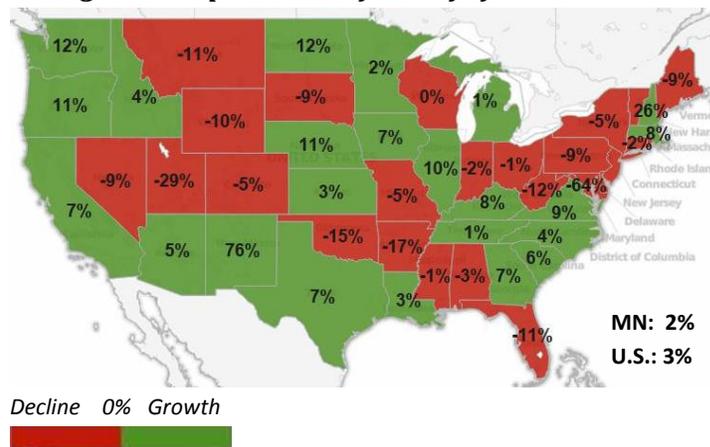


Manufactured Exports Grow 4 Percent in the First Quarter of 2014

- Minnesota exports (including agricultural, mining and manufactured products) were valued at \$5 billion, and grew 2.0 percent between the first quarters of 2013 and 2014, slightly less than U.S. growth of 2.6 percent.
- Exports grew by more than 20 percent to five of the state's top 10 country markets, and increased to eight of the state's top 10 product groups.
- Referring to the manufacturing sector alone, Minnesota manufactured exports were valued at almost \$5 billion in the first quarter of 2014 and grew 4.4 percent during this period, exceeding the U.S. manufactured export growth rate (1 percent).

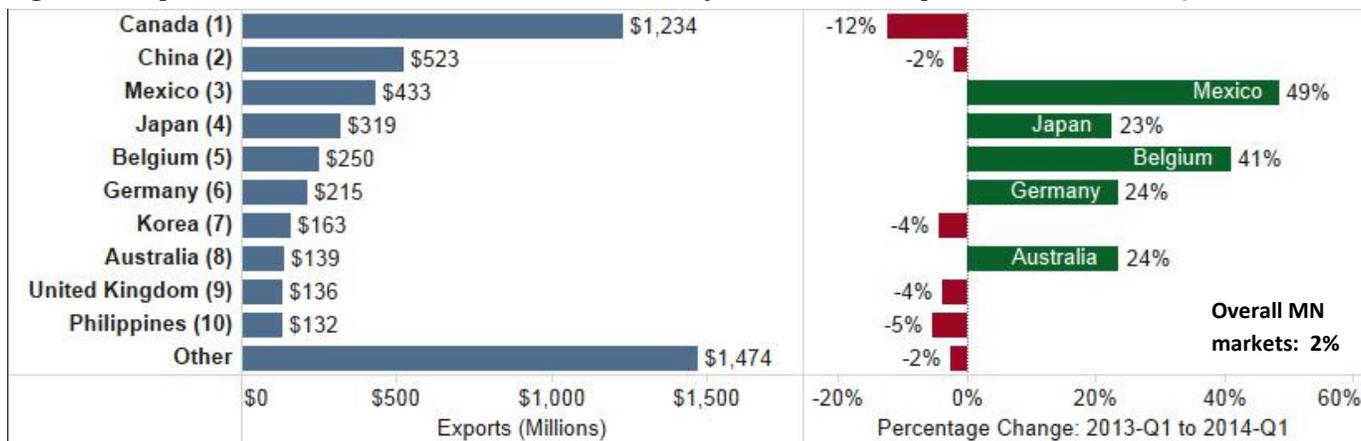
Figure 1. Exports Grow for Half of States



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

- The state's exports to **North America** fell 2 percent to \$1.7 billion. **Machinery, vehicles and electrical equipment** fueled export gains to **Mexico** (up 49 percent; market with largest gains). Reduced sales of **mineral fuels/oils, machinery, beverages, ores/slag/ash and vehicles** led to exports falling 12 percent to **Canada**.
- **Asia** (up 4 percent to \$1.6 billion) and the **European Union (EU)** (up 7 percent to \$1.1 billion) continued to lead in export gains. In **Asia**, **wood pulp** (up 894 percent) and **optics/medical products** (up 8 percent) helped offset weaker demand for **machinery** products (down 13 percent). In the **EU**, **optics/medical** (up 8 percent) and **electrical equipment** (up 18 percent) helped offset declines in **aircraft/spacecraft** (down 33 percent) exports.
- Strong export gains to the **Australia-Pacific** region (up 16 percent to \$162 million) were due to increased sales of **vehicles** (such as tractors and motorcycles) and **railway equipment**.
- **Israel** and the **United Arab Emirates** fueled export growth to the **Middle East** (up 11 percent, to \$120 million). Export growth to **Israel** (ranked 26th, up 29 percent to \$26 million) was largely due to **calculating machine parts**, while export growth to the **United Arab Emirates** (ranked 21st, up 31 percent to \$33 million) was largely due to **specialized machinery, pumps and specialized vehicles**.

Figure 2. Export Growth Exceeded 20 Percent in Five of Minnesota's Top 10 Markets, First Quarter 2014



Medical Products, Wood Pulp, Plastics and Electrical Equipment Lead Export Gains

- Between the first quarters of 2013 and 2014, **optics/medical** (up \$58 million), **wood pulp** (up \$50 million), **plastics** (up \$37 million) and **electrical equipment** (up \$29 million) showed the strongest gains.
- Belgium** (up 17 percent to \$107 million), **China** (down 1 percent to \$93 million), **Japan** (up 17 percent to \$89 million) were the largest markets for **optics/medical products** (up 7 percent to \$855 million). **Germany** had the largest gain (fourth largest, up \$26 million to \$77 million); the **Netherlands** had the sharpest loss (down \$22 million to \$33 million). Segments such as **optical fibers** (up 84 percent to \$71 million, especially to **China** and **Japan**) and **medical/surgical instruments** (up 8 percent to \$307 million, especially to **Belgium**) led growth.
- Wood pulp** sales – mainly **chemical wood pulp** – surged 4,364 percent to **India** (up to \$22 million from \$490,000 in the first quarter of 2013), **Taiwan** (up \$18 million from none) and **Indonesia** (up \$12 million from none).
- Exports of **plastics** were up 15 percent to \$277 million, particularly to **Canada** (up 49 percent to \$43 million) and **Mexico** (up 49 percent to \$25 million). Strong product segments were **plastic sheets, plates and other flat materials** (up 13 percent to \$133 million) and **miscellaneous plastics** (up 24 percent to \$31 million).
- Electrical equipment** sales were up 5 percent to \$641 million, driven by many products including **electrical capacitors** (up 69 percent to \$19 million, driven by **Ireland**) and **electrical transformers** (up 43 percent to \$22 million, mainly due to **Mexico**).
- While **machinery** exports fell to many major markets, **Mexico** (up 52 percent to \$82 million) and **Belgium** (up 56 percent to \$72 million) were key exceptions. Exports of **computer parts** plunged \$79 million to \$150 million. Bright spots included surging exports of **centrifuges and filters** to **China** (up 38 percent) and **Belgium** (up 40 percent); **parts for lifting machinery** to **Japan** (up to \$12 million, from \$692,000); and **computer components** (up 211 percent to \$23 million) and **engine parts** (up 140 percent to \$15 million) to **Mexico**.
- Aircraft/spacecraft products** were down 33 percent; although exports dropped sharply to the **Netherlands** (down 93 percent to \$3 million), they made gains in **Luxembourg** (up 178 percent) and **Mexico** (up 541 percent).

Figure 3. Mexico Has Been a Strong Growth Market for Minnesota's Machinery Exports(2004-Q1 to 2014-Q1)

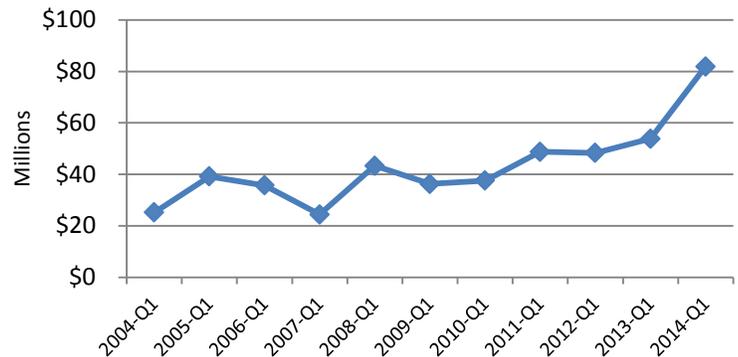
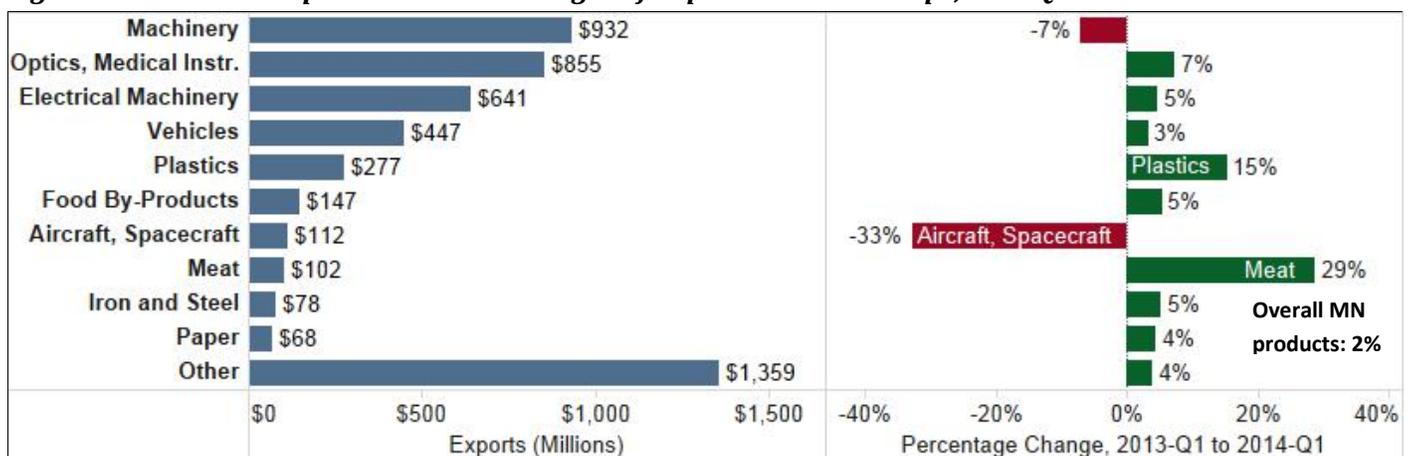


Figure 4. Minnesota Exports Increased to Eight of Top 10 Product Groups, First Quarter 2014



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) Economic Analysis Unit (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/>).