

Exports Grew Slightly in the Third Quarter

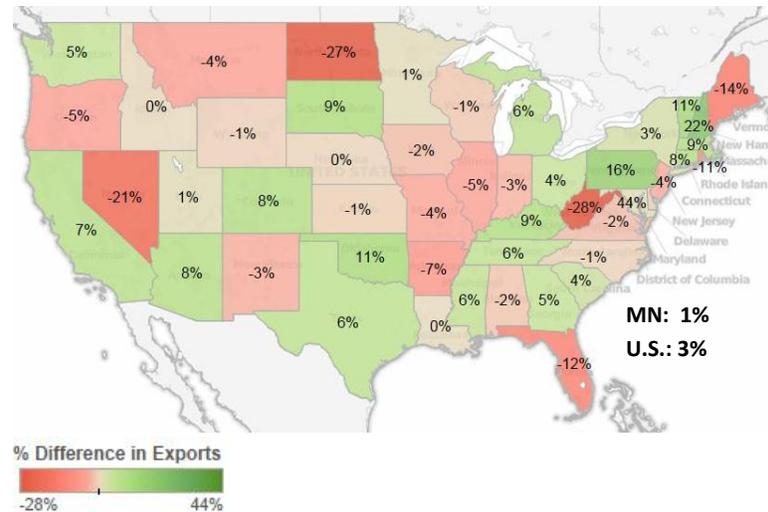
Minnesota exports (including agricultural, mining and manufactured products) grew slightly, by 0.8 percent, to \$5.2 billion between the third quarters of 2012 and 2013. The U.S. export growth rate was 2.8 percent.

For the manufacturing sector alone, Minnesota exports were up 4.5 percent to \$4.9 billion in the third quarter of 2013, slightly exceeding U.S. growth of 3.3 percent.

Although slightly more than half of the states (28) had increased exports, overall, trends were tempered in this period, with about half the states (26) trending between 5 percent declines and 5 percent gains.

For the first nine months of 2013, Minnesota exports fell 2.5 percent, while U.S. exports grew 1.6 percent.

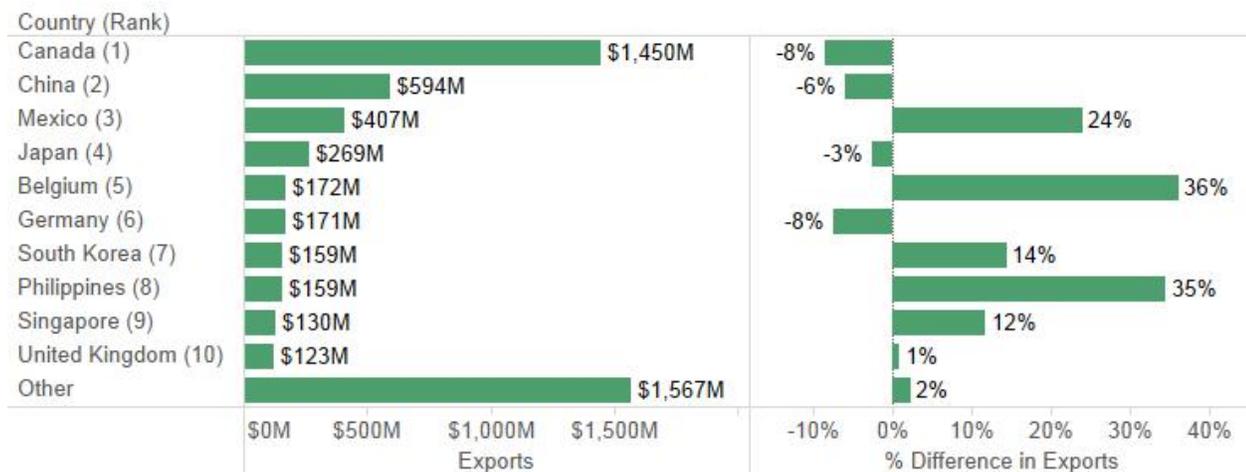
Figure 1. Half of the States' Growth Rates Were Between +5% and -5%



The Middle East, Central and South America Lead in Export Gains

- The state's largest exporting regions were **North America** (down 3 percent to \$1.9 billion) and **Asia** (up 1 percent to \$1.6 billion). In North America, exports grew strongly to **Mexico** (up \$79 million), particularly in **office machine and computer parts, vehicle parts and soybeans**. In Asia, although exports declined to **China** and **Japan**, they grew strongly to **South Korea, Philippines and Singapore**.
- Smaller regions had the strongest regional growth rates: **Central and South America** (up \$35 million, or 15 percent, to \$267 million), the **Middle East** (up \$30 million, or 34 percent, to \$118 million) and **Africa** (up \$11 million, or 23 percent, to \$57 million). **Brazil** (up 25 percent to \$93 million) and **Venezuela** (up 189 percent to \$22 million) led gains in Central and South America while **Saudi Arabia** (up 155 percent to \$50 million) was the strongest performer among markets in the Middle East.

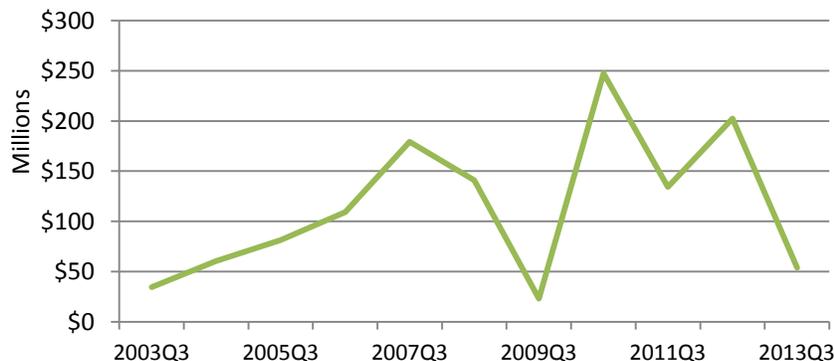
Figure 2. Export Growth in Six of Minnesota's Top 10 Markets, Third Quarter 2013



Wood Pulp, Electrical Machinery, Beverages and Cereals Lead Export Growth

- **Wood pulp** sales jumped 311 percent to \$71 million, driven by **Taiwan** (\$27 million) and **Indonesia** (\$23 million).
- Strong export markets for **electrical machinery** (up 7 percent) included the **Philippines** (up 27 percent to \$116 million) and **Mexico** (up 24 percent to \$53 million). Strong product segments included **telephonic apparatus**, **electric generators** and **sound equipment**.
- Sales of denatured ethyl alcohol (up 167 percent to \$72 million) to **Canada** drove export growth in **beverages**.
- **China**, **Mexico** and **South Korea** were growth markets for **machinery**, despite declines in other markets.
- **Cereals** exports were up 80 percent to \$72 million – mainly due to the strong growth in **corn** (\$46 million, with largest gains to **Venezuela**, **Mexico** and **Colombia**) and **wheat** (\$23 million, with largest gains to **Brazil** and **Spain**).
- Exports of **optics and medical instruments** fell 1 percent to \$807 million. The strength of **medical and surgical instruments** (up \$27 million to \$265 million) and **analytical instruments** (HS 9026 and 9027; up \$20 million to \$172 million) helped offset the decline in **optical instruments used to inspect semiconductors** (down \$33 million to \$20 million; mostly to **Taiwan**, but also to **Austria**, **Singapore** and **Japan**).
- The **Philippines** (\$17 million) and **China** (\$23 million) contributed much of the sales gains of **food waste residues**.
- The state’s strong exports of **aircraft parts** in **Saudi Arabia** (up \$17 million to \$18 million), **Singapore**, **Canada** and **France** helped mitigate declines in markets such as **China** (down \$7 million) and **Luxembourg** (down \$16 million).
- Many markets contributed to the jump in the state’s exports of **dairy products** (up 66 percent to \$58 million); **Ukraine** (\$7 million) and **Saudi Arabia** (\$4 million) had the largest gains.

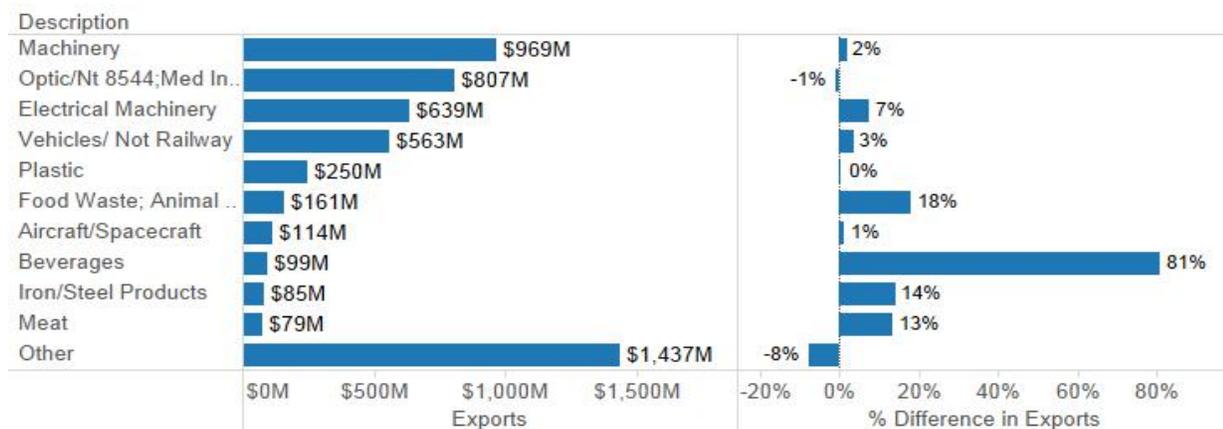
Figure 3. Quarterly State Exports of Iron Ores Are Volatile



Note: Graph shows exports for Minnesota’s third quarter exports of HS 26 Ores/Slag/Ash.

- Quarterly exports of **mineral fuel/oil** and **ores/slag/ash** products tend to be very volatile. Mineral fuel/oil fell 74 percent to \$38 million (mainly to **Canada**), and ores/slag/ash fell 73 percent to \$54 million (mainly to **China** and **Canada**), and thereby dragging down the overall export trends in these two countries.

Figure 4. Minnesota Exports by Major Product Group, Third 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/>).