

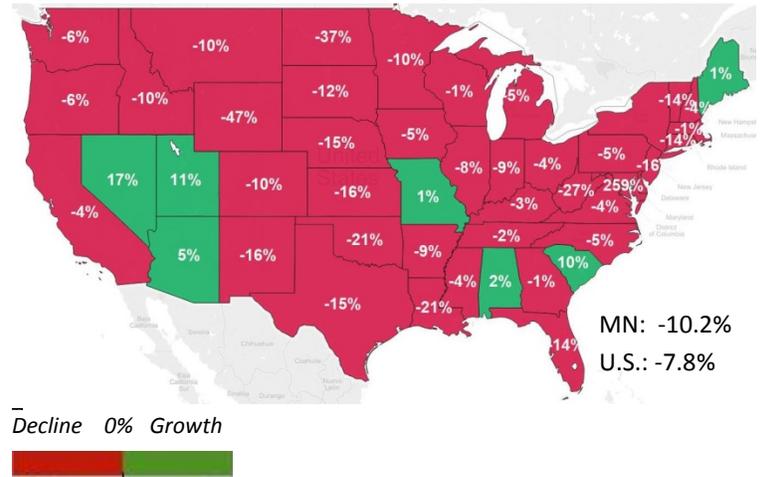
Minnesota Exports Drop 10 Percent in the Third Quarter to \$5.0 Billion

Minnesota exports of goods (including agricultural, mining and manufactured products) dropped to \$5.0 billion and represented a decrease of 10 percent (or \$568 million) between the third quarters of 2014 and 2015. Minnesota ranked 22nd by export value in the third quarter of 2015. U.S. exports fell 8 percent during this period; 42 states experienced decreased exports.

For the first nine months of 2015, Minnesota and U.S. exports have fallen about 6 percent.

For the manufacturing sector, Minnesota exported \$4.7 billion in the third quarter of 2015. Both U.S. and Minnesota manufactured exports fell 7 percent.

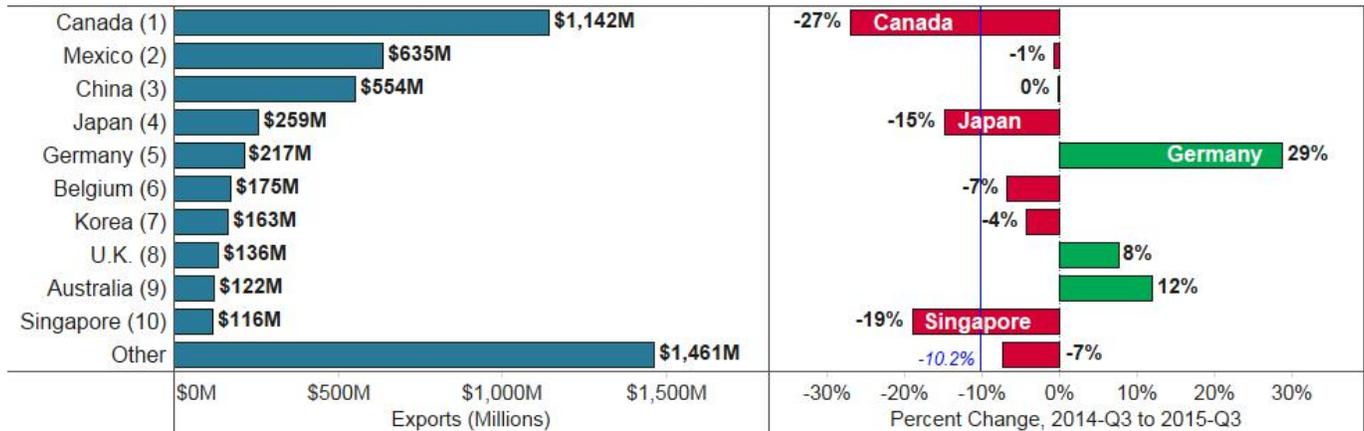
Figure 1. Exports Fall For Majority of States



Exports Decline the Most to Canada and Markets in Asia; Some Growth to EU Markets

- The state’s exports to **North America** dropped 19 percent as exports to **Canada** plummeted 27 percent to \$1.1 billion. Exports to **Mexico** dropped slightly by 1 percent to \$635 million.
- Minnesota exports to **Asia** decreased 10 percent, due to significantly weaker demand in major markets such as the **Philippines** (\$109 million, down 31 percent), **Japan** (\$259 million, down 15 percent) and **Singapore** (\$116 million, down 19 percent). In contrast, exports to **China** were flat at \$554 million, up 2 percent to **Thailand** (\$61 million) and up 6 percent to **Malaysia** (\$38 million).
- Other bright spots for Minnesota exports were markets in the **European Union**, to where exports increased 4 percent to \$1 billion. Exports grew strongly particularly to **Germany** (\$217 million, up 29 percent), **Austria** (\$29 million, up 51 percent), **Poland** (\$30 million, up 44 percent), **Spain** (\$23 million, up 54 percent), and the **United Kingdom** (\$136 million, up 8 percent). Exports also increased 7 percent to **Central and South America** (\$262 million) and the **Middle East** (\$115 million).

Figure 2. Minnesota’s Top 10 Export Markets, Third Quarter 2015



Decreased Demand for Ores, Electrical Machinery, Vehicles, Cereals Spur Export Decline

- Exports of **iron ore** were slashed by 90 percent as **Canadian** demand fell by 99 percent (or down \$123 million) to \$1 million. However, demand for the state's iron ore in **China** increased \$12 million, from \$27,000 one year ago.
- Sharp declines in demand by major export markets for **electrical machinery** fueled the 13 percent drop (or down \$94 million) between the third quarters of 2014 and 2015. Exports were down the most to the **Philippines** (\$90 million, down 27 percent; driven by decreased exports of **integrated circuits**) and **Canada** (\$76 million, down 29 percent; largely due to decreased exports of **generators, telecommunications equipment and radar products**).
- Canada** generally accounts for more than 90 percent of the state's **mineral fuel/oil** exports, which fell 52 percent to \$46 million over all markets. In the third quarter of 2015, Canada's demand for **crude oil** plunged by \$46 million (or down 100 percent), fueling the overall trend.
- Minnesota's 13 percent drop in global sales of **vehicles** to \$487 million masks mixed activity among the top five markets, which represented 87 percent of these exports. Although these exports dropped to **Canada** (down 23 percent) and **Australia** (down 35 percent), they grew strongly to **Mexico** (up 30 percent, due to **vehicle parts**), **Sweden** (up 42 percent, due to **snowmobiles**) and **Belgium** (up 80 percent, due to **motorcycles**). Weaker segments included **passenger vehicles, special purpose vehicles** and **public transportation vehicles**.
- Cereals** exports were down 55 percent to \$53 million, driven by the 56 percent drop in **corn (maize)** exports. The main contributor was sharply lower demand by **Mexico** for **corn** from Minnesota (\$26 million, down 67 percent).
- Other products suffering export declines of more than \$30 million included **optics/medical** (\$892 million, down 5 percent), **aircraft/spacecraft** (\$89 million, down 34 percent), **plastics** (\$281 million, down 11 percent) and **woodpulp** (\$50 million, down 40 percent).
- Some bright spots of export gains of more than \$15 million were **pharmaceuticals** (\$84 million, up 67 percent), **miscellaneous grains** (\$100 million, up 35 percent), **beverages** (\$65 million, up 36 percent) and **albumins/glue** (\$54 million, up 39 percent). **Soybeans** (particularly to **Mexico** and **Costa Rica**) and **soybean meal** (especially to **Colombia** and the **Dominican Republic**) drove export growth of miscellaneous grains.

Figure 3. Minnesota Trends in Exports of Vehicles, Top Five Markets, Third Quarter 2015

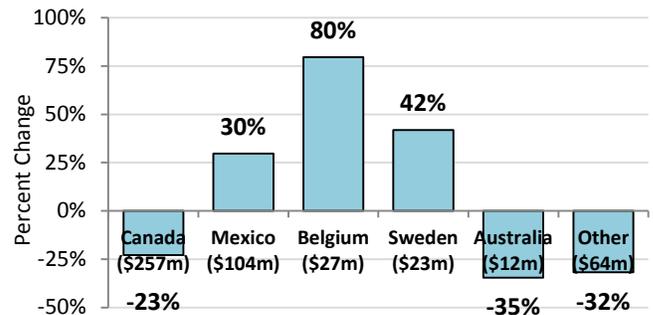
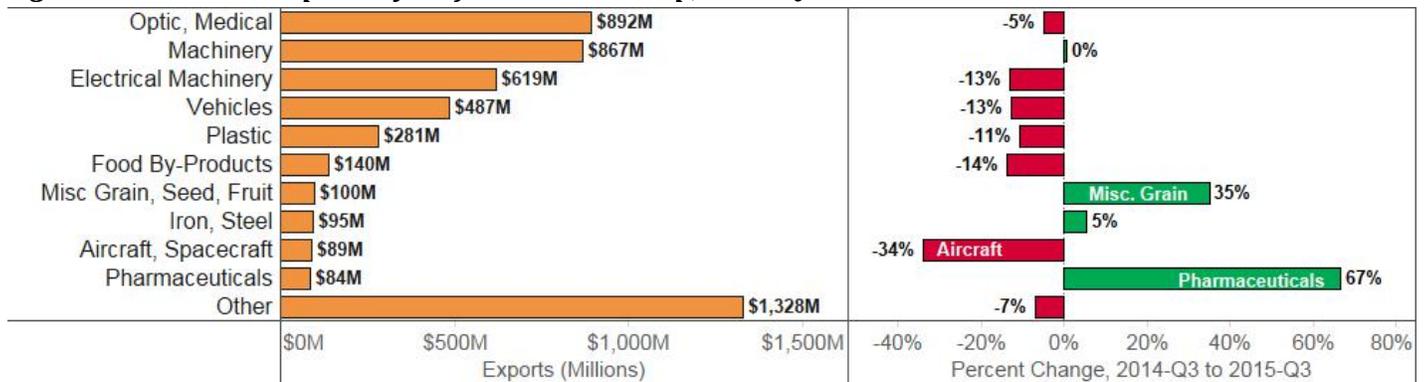


Figure 4. Minnesota Exports by Major Product Group, Third Quarter 2015



Minnesota Quarterly Export Statistics is the most current resource available for tracking the state's 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). The quarterly and annual statistics reports primarily cover export data based on the Harmonized Tariff System, collected by the U.S. Department of Commerce (USDOC) and distributed by the Global Trade Information Services. Note that an alternate source of agricultural export estimates – based on different methodology – is the Minnesota Department of Agriculture, although data is published only on an annual basis. Reports are available on DEED's website at "Export and Trade Statistics": <http://mn.gov/deed/data/export-stats/>.