Data on Minnesota Exports for Third Quarter 2020 – Published December 2020
For More Information: Rita Beatty 651-259-7534

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# State Export Decline Continues, Down 14%, in Third Quarter

* Minnesota exports (including agricultural, mining and manufactured products) were valued at $4.8 billion in the third quarter of 2020, falling by 14% (or $803 million) since the third quarter of 2019.
* U.S. exports of goods fell 13% during this period. Reflecting the persistent widespread impact of the pandemic, exports decreased from 43 states and the District of Columbia. Exports increased from Nevada, Oregon, New Jersey, Idaho and Missouri; and were unchanged from Utah and Iowa.
* Minnesota *manufactured* exports contracted 13% to $4.5 billion in the third quarter of 2020. U.S. *manufactured* exports sank 14%.
* For first nine months of 2020, total Minnesota exports fell 9%, while U.S. exports dropped 15%.

Figure 1. Exports Decline from 43 States and DC

 State  Percent Change
MN -14%
US -13%
AL -23%
AK -29%
AR -17%
AZ -28%
CA -7%
CO -2%
CT -12%
DC -45%
DE -17%
FL -22%
GA -6%
HI -43%
IA 0%
ID 7%
IL -12%
IN -5%
KS -14%
KY -29%
LA -13%
MA -6%
MD -9%
ME -20%
MI -14%
MO 3%
MS -15%
MT -27%
NC -16%
ND -36%
NE -2%
NH -16%
NJ 10%
NM -32%
NV 22%
NY -7%
OH -15%
OK -20%
OR 16%
PA -8%
RI -24%
SC -27%
SD -6%
TN -10%
TX -18%
UT 0%
VA -17%
VT -23%
WA -31%
WI -2%
WV -26%
WY -22%


***MN: -14%***

***U.S.: -13%***

*Decline 0% Growth*

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## *Global Exports Still Largely in Decline – Some Markets Show Resilience and Growth*

* The state’s exports fell sharply to all regions. Exports sank 10% to **North America**, 18% to **Asia** and 14% to the **European Union**. These three regions accounted for 89% of the state’s exports in the third quarter.
* Major markets, such as **Mexico** (down $146 million)**, Japan** ($117 million), **Germany** (down $93 million), **France** (down $51 million) and **the Philippines** (down $48 million), experienced sharp declines.
* Exports surged to markets such as **Slovakia** (up $37 million – fueled by **iron ores**), **Taiwan** (up $19 million – led by **plastics** and **optic, medical** goods), **the Netherlands** (up $17 million – led by **plastics** and **electrical equipment**) and **Switzerland** (up $13 million – driven by **vehicles** and **electrical equipment**).
* Although third quarter trends among major markets were largely negative, monthly trends showed some signs of recovery, with export gains to some markets by September, at the end of the quarter.

#### Figure 2. Export Trends for Minnesota’s Top 10 Markets, Third Quarter 2020

Country (Rank)  Exports (millions)  Percent Change, 2019-Q3 to 2020--Q3
WORLD  $4,807  -14%
Canada (1)   $1,170  -4%
Mexico (2)   $614  -6%
China (3)   $513  -22%
Japan (4)   $288  -29%
Germany (5)   $236  -9%
Korea (6)   $186  -33%
Singapore (7)   $140  -9%
Belgium (8)   $125  -3%
U.K. (9)   $116  17%
Ireland (10)   $114  -7%
Other  $1,305  -20%


## *Gains in Mineral Fuels, Meat and Beverages Help Offset General Widespread Declines*

* Large declines in exports continued due to generalized weak demand among the state’s major markets. The state’s top five exported products accounted for about 60% of exports. Exports of **optics, medical** were down 18%; **machinery** was down 11%; **electrical equipment** was down 23%; **vehicles** were down 18%; and **plastics** were down 13%. These downward trends tended to be less severe than in the second quarter.
* Also losing significant ground were **ores, slag, ash** ($140 million, down 38%), **pharmaceuticals** ($116 million, down 30%) and **food by-products** ($125 million, down 27%).Figure 3. Minnesota’s Major Markets for Meat
* Global sales of **meat** leaped 22% to $101 million, propelled by demand in **China** (up 526%, or up $29 million) and **Japan** (up 63%, or up $8 million). These gains offset large losses in **Mexico** (down 40%**)** and **Korea** (down 59%). **Frozen pork** ($39 million, up 29%) and **fresh, chilled pork** ($27 million, up 77%) drove the gains.
* **Canada** drove growth in **mineral fuels, oils** ($192 million, up 544%) and **beverages** ($52 million, up 42% –mainly food-safe alcohols and water products). Canada accounted for over 95% of these exports.
* Despite broad declines in most product groups, selected markets and product segments had promising gains. Demand for **plastics** grew in markets such as **the Netherlands** ($26 million, up 195%) and **Taiwan** ($14 million, up 75%), and in segments such as **polyacetals (primary polyesters)** (up 147%) and **tubes, pipes, hoses** (up 51%).
* **China** (up 13%), **the Netherlands** (up 86%) and **Switzerland** (up 47%) contributed to recovering segments of **electrical equipment** exports, such as **industrial furnaces** ($25 million, up 66%), **household appliances** ($18 million, up 106%) and **electric generators** ($27 million, up 18%).

#### Figure 4. Export Trends for Minnesota’s Top 10 Products, Third Quarter 2020

PRODUCT  Exports (millions)  Percent Change, 2019-Q3 to 2020--Q3
TOTAL  $4,807  -14%
Optic, Medical  $956  -18%
Machinery  $739  -11%
Electrical Equipment  $556  -23%
Vehicles  $307  -18%
Plastics  $305  -13%
Mineral Fuels, Oils*  $192  544%
Ores, Slag And Ash  $140  -38%
Food By-Products  $125  -27%
Pharmaceuticals  $116  -30%
Meat  $101  22%
Other  $1,270  -15%


*\* Note: To minimize chart distortion, the export growth rate of 544% for mineral fuels and oils, was omitted.*

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| Minnesota Quarterly Export Statistics is the most current resource available for tracking the state’s export trends in manufactured and other goods, 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). 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 IHS Markit. Reports are available on DEED’s website at “Export and Trade Statistics” (<http://mn.gov/deed/data/export-stats/>). |