

**Data on Minnesota Exports for Second Quarter 2023 – Published August 2023**

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# Bright Spots of Growth Despite State Exports Sliding 9%

* Minnesota exports of goods (including agricultural, mining and manufactured products) were valued at $6.1 billion in the second quarter of 2023, representing a drop of 9% (or down $578 million) over the second quarter of 2022. This was the first quarterly decline after eight quarters of export growth. For the year to date, state exports are unchanged between 2022 and 2023.
* U.S. exports of goods fell 7% during the second quarter, as exports declined from 29 states between the second quarters of 2022 and 2023.
* Minnesota’s manufactured exports slipped by 10% to $5.4 billion in the second quarter of 2023, while U.S. manufactured exports fell 3%.

### Figure 1. Exports Declined from 29 States

Figure 1 US State Export map trends by state

State Percent Change 2022-Q2 to 2023-Q2
Minnesota -9%
United States -7%
Alabama 5%
Alaska -4%
Arizona 15%
Arkansas -7%
California -8%
Colorado 2%
Connecticut 3%
Delaware -10%
Dist of Columbia 4%
Florida -4%
Georgia 6%
Hawaii -10%
Idaho 0%
Illinois -5%
Indiana 13%
Iowa -7%
Kansas -5%
Kentucky 15%
Louisiana -26%
Maine -16%
Maryland 2%
Massachusetts 15%
Michigan 1%
Mississippi -21%
Missouri 2%
Montana 2%
Nebraska -17%
Nevada 1%
New Hampshire -1%
New Jersey -8%
New Mexico 12%
New York -16%
North Carolina 4%
North Dakota 50%
Ohio 0%
Oklahoma -12%
Oregon -32%
Pennsylvania 4%
Rhode Island 6%
South Carolina 16%
South Dakota -3%
Tennessee -5%
Texas -17%
Utah -4%
Vermont -13%
Virginia -23%
Washington -9%
West Virginia -33%
Wisconsin 1%
Wyoming 25%


***MN: -9%***

***U.S.: -7%***

*Decline 0% Growth*

Map color legend. yellow for decline, green for growth

## *Export Gains in Other Regions Help Offset Declines in Canada and Asia*

* Minnesota’s exports dropped sharply to **North America** ($2.4 billion, down 20%) with slumping demand in Canada (down 33%) offsetting robust trends in Mexico (up 26%).
* Exports buckled to **Asia** ($1.7 billion, down 10%) as large export declines to **China, Thailand, Taiwan** and **Singapore** overwhelmed solid gains to **Malaysia** and **the Philippines**.
* Strong growth in other world regions offered brighter outcomes. Exports grew strongly to **Europe** (up 10%) – led by **the Netherlands** and **Ireland**; to **the Caribbean, Central and South America** (up 5%); to the **Australia-Pacific** region (up 22%) **–** fueled by **Australia** (up 27%); and to the **Middle East** (up 28%)

### Figure 2. Export Trends for Minnesota’s Top 10 Markets, Second Quarter 2023

MN Exports by top 10 markets, 2023-Q2
Country Exports (millions) Percent Change, 2022-Q2 to 2023-Q2
WORLD  $6,070  -9%
Canada (1)   $1,567  -33%
Mexico (2)   $806  26%
China (3)   $636  -10%
Japan (4)   $267  -4%
Netherlands (5)   $225  33%
Germany (6)   $210  9%
Belgium (7)   $181  9%
Ireland (8)   $179  15%
Korea (9)   $168  -4%
U.K. (10)   $135  -6%
Other  $1,696  0%


## *Vehicles, Optic/Medical, Ores and Aircraft Products Lead in Export Gains*

* Exports of some key products performed strongly in the second quarter, and were led by **vehicles** (up 54%), **optic, medical** (up 8%), **ores, slag, ash** (up 29%), **aircraft, spacecraft** (up 21%) and **pharmaceutical goods** (up 27%).
* In contrast, global sales of **mineral fuel, oil** (down 82%), **cereals** (down 46%), **plastics** (down 17%) and **food by-products** (down 26%) sank significantly.
* Export growth in **vehicles** was driven by **Canada** ($248 million, up 53%); **Mexico** ($137 million, up 54%, led by **vehicle parts**); and **Ukraine** ($19 million, up from $28,000, mainly **tanks, armored vehicles**).Figure 3. Markets for Aircraft, Spacecraft
* **Optic, medical** goodsswelled in **China** (up 19%), **Belgium** (40%), **Ireland** (up 17%) and **Korea** (up 36%) but tumbled to **Taiwan** (down 41%). **Medical, surgical instruments** and **orthopedic, other parts** boosted gains**.**
* **Ores, slag, ash** (mainly **iron ores**) grew strongly to **Canada** (up 22%) and **Japan** (up 163%).
* Top markets for **aircraft, spacecraft** steered growth: **Germany** ($28 million, up 177%) and **Australia** ($21 million, up 212%). **Japan** (up 485%) and **Saudi Arabia** ($4.5 million, up from $19,000) also had notable growth.
* **Drug** sales (up 86%) surged to account for a third of Minnesota’s **pharmaceutical** exports and were largely propelled by **Belgium**. **Blood products** (up 2%) accounted for half of exports, much less than in previous years.
* High-growth markets for **machinery** – such as **Mexico** (up 33%), **Saudi Arabia** (up 496%) and **France** (up 108%)**–** balanced depressed demand in **China** (down 33%), **the Czech Republic** (down 85%)and **the Philippines** (up 68%). Growth segments included **engine parts; computers and parts;** and **specialized machinery.**
* Exports of **mineral fuel, oil** plunged, as sales to **Canada** sank (down $621 million or down 97%). A bump in sales of **petroleum oils** to the **Netherlands** ($92 million, up from none) partially countered the loss.
* **Mexico** (up $86 million) surpassed **Canada** (down $228 million) as the primary market for **cereals.**

### Figure 4. Export Trends for Minnesota’s Top 10 Products, Second Quarter 2023

MN Exports for top 10 products 2023-Q2
PRODUCT Exports (millions) Percent Change, 2022-Q2 to 2023-Q2
TOTAL  $6,070  -9%
Optic, Medical  $1,043  8%
Machinery  $1,003  1%
Electrical Equipment  $878  -4%
Vehicles  $477  54%
Plastics  $261  -17%
Ores, Slag, Ash  $187  29%
Cereals  $163  -46%
Aircraft, Spacecraft  $156  21%
Food By-Products  $151  -26%
Meat  $133  5%
Other  $1,618  -28%



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| Minnesota Export Statistics reports track the state’s trends in exports of goods and is prepared for the Minnesota Trade Office by DEED’s Economic Analysis Unit (Thu-Mai Ho-Kim). The quarterly and annual reports primarily cover export data based on the Harmonized Tariff System (Schedule B), collected by the Foreign Trade Division, Census Bureau, U.S. Dept of Commerce and accessed through USA Trade Online (Census Bureau) and Trade Data Monitor (TDM). Historical reports are available on DEED’s website at “Export and Trade Statistics” (<http://mn.gov/deed/data/export-stats/>). |