

South Dakota Exports by Country of Destination and Leading HS Commodities

Highlights

North America

- South Dakota's strong export performances in Canada in 2005 and 2006 continued in 2007 with an increase of 30%, compared to 7.9% for the U.S. as a whole. State long-term growth of 11.2% also far outstripped the national pace. Top northbound commodities in 2007 included Meat, Machinery/Computers and Electric Machinery, making up 55% of total exports. Smaller, second tier industries, including Vehicles, Precious Metals, Food Industry Residues, Plastics and Wood made up another 33%. Among these sectors, Meat and Wood had the largest gains by dollar value.
- Southbound, exports to Mexico grew even faster than northbound shipments, gaining 39% in 2007 and, once again, surpassing Europe as the next largest regional market for South Dakota after Canada and Asia. The strong showing in Mexico was largely attributable to a \$50 million increase in Brewing and Distilling Residues and a \$22 million increase in Animal fats. Meat, Food Industry Residues, and Animal/Vegetable Fats comprise 82% of all shipments south of the border. South Dakota's annual growth of 39% and ten-year average rate of 23.5%, far outdistance U.S. short and long-term rates of 6.7% and 2%.

Asia

- Asia is South Dakota's second largest regional market after Canada, accounting for 28.9% of total State cargo shipped in 2007. South Dakota growth of 23% was far ahead of the 13% national increase, but slightly behind State growth of 27% to the World. South Dakota's long-term growth in Asia is also ahead of the Nation's. Industrial Machinery and Computers comprised 65% of total State sales to Asia, followed by Aircraft (12%), Meat (6%), and Vehicles (4.5%). The strongest increases occurred in Machinery/Computers which jumped \$100 million (+55%) in 2007, followed by Meat (+\$8 mil), and Oilseeds (+\$4.3 mil). The largest declines were sustained in Electric Machinery (-\$22 mil), Aircraft (-\$8 mil), and Vehicles (-\$5.7 mil).
- Exports to Thailand soared in 2007, after a \$39 million (98%) drop in 2006. Thailand became South Dakota's third largest market with \$150 million in export sales. Hong Kong, reporting a \$19 million increase in 2007, is the State's fourth largest destination, while Qatar, China, and Japan also rank among the State's top ten destinations. China sales, which had spiked upward by \$62 million in 2006, plummeted by \$68 million in 2007. Significant losses occurred as well in Singapore (-\$17 mil) and Japan (-\$15 mil).

Europe

- Exports to the European Continent had both the slowest growth of any major market in 2007 at 3.2%, and the slowest average growth over the past ten years at 3.6%. In 2007, poor overall sales were due in large measure to a \$60 million decline in Computer shipments that was just barely offset by strong sales in Cereals, Electric Machinery, Toys/Games/Sporting Equipment, Meat and Plastics.
- Germany, Spain, UK, and Italy were South Dakota's primary European markets in 2007. After nearly doubling in 2006 as a result of expanded computer sales, exports to UK fell back again by 53% in 2007 when computer sales tumbled. France sustained the second largest loss after UK, also due to the nose-dive in Computer shipments. Not all of Europe was in the doldrums, however. Spain, Germany, and Russia were among the top ten growth markets for South Dakota by dollar increase. Exports to Spain nearly tripled in 2007 with new Wheat shipments of \$19 million. Solid advances in Machinery, Plastics, Wadding Etc, and Electric Machinery more than offset Computer trouble in Germany. Exports to Russia gained over \$5 million, primarily in Pork, but also in new trade in many of the State's top sectors.

Australia Oceania

- Although Australia is South Dakota's 12th ranked country of destination, the Australia/Oceania regional market is relatively tiny, absorbing only 1.2% of State transactions abroad. State export growth rates to Australia have consistently surpassed the national average. Growth was modest at 8% in 2007, however, as downturns in Pork (-\$2.4 mil) and New and Used Tires (-\$1.6 mil) weighed against robust showings in Machinery/Computers, Electric Machinery, and Vehicles. Australia imports a diverse set of products from South Dakota. The top three imports in 2007 were Machinery/Computers, Photographic Goods, and Meat, accounting for 61% of total imports.

Latin America

- State sales in Latin America are comparable in size to sales in Australia/Oceania. In 2007, South Dakota export expansion of 37% in Latin America exceeded National growth and exceeded State growth to the World. Top destinations included Brazil, Ecuador, Argentina, and Venezuela. The most remarkable gains were in Ecuador (+\$2.8 mil), Venezuela (+\$2.4 mil), Colombia (+\$1.7 mil), and Brazil (+\$1.2 mil). The principal export sectors were Machinery/Computers, Vehicles, Wadding/Felt/Etc., and Instrumentation; the largest upswings were in Vehicles (\$3.6 mil) and Meat (\$0.9 mil).

Africa

- South Dakota exports to Africa ballooned upward from \$5.2 million in 2006, to 22.2 million in 2007. With this boost in sales, the African market is newly in the same size range, though still small, as Australia and Latin America. Huge shipments of Wheat to Tunisia (\$8.3 mil) and to Ghana (\$4.9 mil) led the increases. In South Africa there were sizeable new sales of rubber products, vehicles, and Dried Vegetables. State advances exceeded U.S. growth in both the short and long-term.