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In February...

Nonfarm Employment

Connecticut 1,682,400
 Change over month -0.10%
 Change over year +0.1%

United States 145,798,000
 Change over month +0.16%
 Change over year +1.6%

Unemployment Rate

Connecticut 4.7%
 United States 4.7%

Consumer Price Index

United States 243.603
 Change over year +2.7%

Connecticut Exports: 2016 in Review

By Laura Jaworski, Office of International and Domestic Business Development, DECD

Geopolitical issues seemed to dominate 2016, whether it was the U.S. elections, Brexit, the Eurozone, free trade agreements, economic integration or national sovereignty. How these global issues impact trade, currency, and political relationships remains to be seen. In the meantime, to assess Connecticut’s export status, a review of several key categories follows.

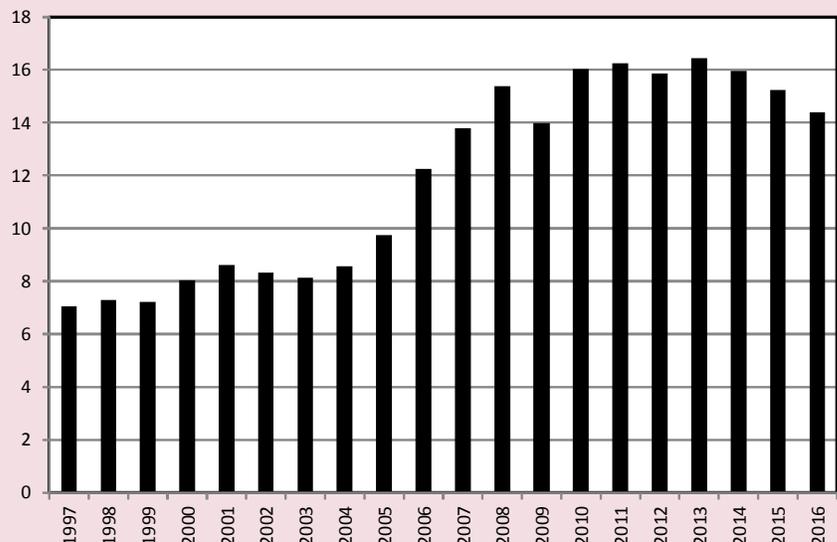
billion, a 5.49% decrease from the \$15.24 billion registered in 2015.¹ It is important to note, as significant as commodity exports are, they omit service exports, for which the collection of data is inexact and unavailable at the state level. All U.S. states face this data gap. This means that export figures for a state like Connecticut- with a large concentration of insurance, financial and other services- understate the true magnitude of its overall export value.

Annual Export Figures

In 2016, Connecticut’s commodity exports totaled \$14.4

Data indicates that 5,717 companies exported from Connecticut in 2014. Eighty-nine

Chart 1: Connecticut’s Exports, 1997-2016 (\$ in billions)



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percent of these companies were small and medium-sized enterprises with fewer than 500 employees, and account for 23% of Connecticut commodity exports.²

Connecticut's ranking among the states held steady at 27th in 2016.³ Texas, California, Washington, New York and Illinois were the top five export states in 2016, ranked in terms of export commodity dollars. All five of those states experienced decreases in 2016.

U.S. commodity exports totaled more than \$1.45 trillion in 2016, representing a 3.25% decrease over the \$1.5 trillion recorded in 2015.

In New England in 2016, only Massachusetts' exports value ranked higher than Connecticut's, as has been the case since 2005. As a regional trading block, New England's commodity exports totaled more than \$52.47 billion in 2016, a slight 0.16% decrease from 2015.

**Connecticut Export
Composition**

Connecticut's top export commodities mirror the state's historic strengths and there is a demonstrated consistency among the state's top exports. Last year was no exception. In 2016 at the two-digit Harmonized System (HS) commodity code level, Connecticut's top five export commodities were (1) aircraft, spacecraft and parts thereof; (2) industrial machinery, including computers; (3) electric machinery, sound equipment, TV equipment, parts; (4) optic, photo, medical or surgical instruments and (5) special classification provisions, Nesoi. The bulk of special classification provisions were composed of exports of repaired

imports. Please refer to Table A for commodity export details.

Drilling down an additional layer into the HS commodity codes reveals the transportation sector's dominance of Connecticut exports. At the four-digit HS level, the state's top exports included civilian aircraft, engines, parts; exports of repaired imports and turbojets, turbopropellers.

To put these figures into national and regional context, the U.S. and New England states' top export commodities were similar to Connecticut's. In 2016, the top five U.S. export commodities were (1) industrial machinery, including computers; (2) electric machinery, sound equipment, TV equipment, parts; (3) aircraft, spacecraft and parts thereof; (4) vehicles, except railway or tramway, and parts and (5) mineral fuel, oil, bitumin substances, mineral wax. In 2016, the New England region's top five export commodities were (1) electric machinery, sound equipment, TV equipment, parts; (2) industrial machinery, including computers; (3) optic, photo, medical or surgical instruments; (4) aircraft, spacecraft, and parts thereof and (5) natural or cultured pearls, precious stones, precious metal clad materials, imitation jewelry and coins.

State Export Partners

The state's top five commodity export destinations were France, Germany, Canada, the United Arab Emirates (UAE) and Mexico. Please refer to Table B. Following a 12.60% decrease in 2015, France experienced a slight 0.66% uptick in 2016 to remain the #1 destination for Connecticut commodity exports

Table A: 2016 Connecticut Commodity Exports

Rank	Description	ANNUAL 2015	ANNUAL 2016	%2015- 2016
	TOTAL ALL COMMODITIES	15,240,632,658	14,403,241,314	-5.49
1	Aircraft, Spacecraft, And Parts Thereof	6,721,258,114	5,925,954,997	-11.83
2	Industrial Machinery, Including Computers	2,014,954,443	2,279,397,443	13.12
3	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	1,328,874,554	1,157,370,041	-12.91
4	Optic, Photo Etc, Medic Or Surgical Instrments Etc	1,189,287,336	1,141,205,069	-4.04
5	Special Classification Provisions, Nesoi	356,737,885	604,710,284	69.51
6	Plastics And Articles Thereof	383,241,481	336,490,591	-12.2
7	Copper And Articles Thereof	383,497,087	230,321,282	-39.94
8	Inorg Chem; Prec & Rare-Earth Met & Radioact Compd	221,597,694	211,937,562	-4.36
9	Miscellaneous Chemical Products	137,385,136	158,884,532	15.65
10	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	155,120,792	146,902,275	-5.3

Table B: 2016 Connecticut Commodity Exports by Partner Country

Rank	Description	ANNUAL 2015	ANNUAL 2016	%2015- 2016
	TOTAL ALL PARTNER COUNTRIES	15,240,632,658	14,403,241,314	-5.49
1	France	1,941,850,836	1,954,711,707	0.66
2	Germany	1,653,266,793	1,640,965,329	-0.74
3	Canada	1,623,192,123	1,632,517,685	0.57
4	United Arab Emirates	1,592,080,475	1,241,851,486	-22
5	Mexico	1,319,126,998	1,060,675,322	-19.59
6	United Kingdom	884,507,463	894,510,909	1.13
7	China	1,028,368,940	814,474,780	-20.8
8	Japan	525,184,912	526,118,396	0.18
9	Netherlands	476,587,430	493,647,957	3.58
10	Korea, Republic Of	456,045,969	363,751,577	-20.24

State Trade Expansion Promotion (STEP) grant award from the U.S. Small Business Administration (SBA). The STEP program goal is to increase the value of exports for small businesses currently exporting and grow the number of exporters. Working in conjunction with partners such as the Connecticut Center for Advanced Technology (CCAT), U.S. Department of Commerce (USDOC), Small Business Development Center (SBDC), and others, DECD directs STEP funds towards company participation in various export activities, events and training opportunities. For more information about DECD's international programs and services, including STEP grant activities, eligibility standards, program guidelines and

at \$1.95 billion. Connecticut exported over \$1 billion to each of its remaining top five trade partners in 2016. Among the state's top 10 partners, the Netherlands experienced the greatest growth in Connecticut commodity exports, a 3.58% increase. Significant increases occurred in commodities of mineral fuel, oil, bitumin substances, mineral wax; pharmaceutical products; vehicles, except railway or tramway; and essential oils. The U.A.E. continues to trend as a significant market destination for state exports, dominated by aircraft, spacecraft and parts thereof; electric machinery, sound equipment, TV equipment and industrial machinery, including computers. Rounding

out the state's top 10 trade partners in 2016 were the United Kingdom, China, Japan, the Netherlands and South Korea, ranking 6-10, respectively.

In 2016, the top five destinations for U.S. commodity exports were Canada, Mexico, China, Japan and the United Kingdom, while the top five destinations for the New England states were Canada, Mexico, Germany, China and France.

State Trade Expansion Promotion (STEP) Grant

The state and federal government continue to work to develop export opportunities. To that end, DECD administers a

application procedures, please contact Laura Jaworski at 860-270-8068 or laura.jaworski@ct.gov. ■

1 Data Source: World Institute for Strategic Economic Research (WISER), <http://www.wisetrade.org>.

2 "Connecticut Exports, Jobs, & Foreign Investment," U.S. Department of Commerce International Trade Administration, February 2017.

3 Omitting Puerto Rico and various export sales attributed to "unknown state," Connecticut actually ranked 25th. In the state export data series, low-value export estimates are credited to "unknown state," as export statistics are collected only for export commodity shipments over \$2,500.