For the first time since 2009, U.S. exports decreased. The weak global economy and strong U.S. dollar, which made U.S. exports more expensive to foreign buyers, brought challenges to the export community and resulted in export declines across the board.\(^1\) To assess Connecticut’s export status, a review of several key categories follows.

**Annual Export Figures**

In 2015, Connecticut’s commodity exports totaled $15.25 billion, a 4.24% decrease from the $15.93 billion registered in 2014.\(^2\) Please refer to Chart 1. It is important to note that, 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.

Data indicates that of the
Connecticut’s top five export commodities mirror the state’s historic strengths and there is a demonstrated consistency among the state’s top exports. 2015 was no exception to such. In 2015 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) vehicles, except railway or tramway, and parts and (5) mineral fuel, oil, bituminous substances, mineral wax.

The state’s top five export commodity export destinations were France, Germany, Canada, the United Arab Emirates (UAE) and Mexico. Please refer to Table B. Despite a 12.60% decrease in 2015, France remained the #1 destination for Connecticut commodity exports, with $1.93 billion in state exports recorded in 2015. Connecticut exported over $1 billion in persons’ personal use. The state’s top five commodity export destinations were France, Germany, Canada, the United Arab Emirates (UAE) and Mexico.
billion to each of its remaining top five trade partners in 2015. Among the state’s top ten partners, the U.A.E. experienced the greatest growth in Connecticut commodity exports at 39.41%. Connecticut exports to the U.A.E., a market that has been a significant destination for state exports the past few years, were dominated by aircraft, spacecraft and parts thereof; industrial machinery, including computers; electric machinery, sound equipment, TV equipment, with the greatest percentage growth coming in pharmaceutical products. Rounding out the state’s top ten trade partners in 2015 were China, the United Kingdom, Japan, the Netherlands and South Korea, ranking six through ten, respectively.

In 2015, 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.

**Challenges**

The cultivation of international markets is important, but there are concerns and circumstances that present challenges to exporters. Chief among them are the state of the global economy and its correlation to demand and consumer spending.

-continued on page 5-
Unpredictable international events affect markets and export growth as well. Economic and geo-political circumstances that may impact trade include falling oil prices, the Eurozone market and China’s economic slowdown. Regulatory barriers present a challenge as well, as navigating the complex issue of export compliance and licensing requires time, effort and resources.

**State Trade Expansion Promotion (STEP) Grant**

The state and federal government continue to work to develop export opportunities. To that end, the Connecticut Department of Economic and Community Development (DECD) administers a 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.

For more information about DECD’s international programs and services, including STEP grant activities, eligibility standards, program guidelines and application procedures, please contact Laura Jaworski at 860-270-8068 or laura.jaworski@ct.gov.

---

1 “U.S. exports drop for first time since Great Recession,” CNN Money, February 5, 2016.


4 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.