

Indiana Exports Hit New Record

Export sales from Indiana businesses reached \$13.97 billion in 1999, the highest one-year total in the state's history. Propelled by nearly \$4.1 billion in exports of transportation equipment, the increase in 1999 marked Indiana's 11th consecutive year of export increases. Figure 1 shows this steady expansion in exports, up from less than \$5 billion in 1988.

Data for 1999 were just released by the Indiana Department of Commerce (IDOC). The Global Business Information Network at the Kelley School of Business at Indiana

Indiana is the 15th largest exporter in the nation. 1999 marked Indiana's 11th consecutive year of export increases.

University compiles the export information originally collected by the U.S. Bureau of Census, analyzes it, and places it into a historical perspective. The IDOC, in partnership with Cinergy, publishes this analysis, along with the data, in the quarterly *Indiana Export Report*.

The rate of increase in Indiana exports peaked in 1995. The change each year in Indiana's export sales is shown in Figure 2, along with the

change in total U.S. exports. In the years 1993 through 1995, Indiana's exports grew nearly 20% per year. Indiana's rate of increase comfortably exceeded that of the nation. Since 1995, Indiana's export sales growth has averaged less than 5% per year. Export increases in recent years have been helped by the recovery of the

Mexican peso, NAFTA and the strong consumer demand for motor vehicles.

Indiana is the 15th largest exporter in the nation. Regionally, it falls in the middle of the pack in terms of total exports, although the state may contribute more to the region's exports than the data show (see Figure 3). If much of Indiana's output is assembled

Figure 1: Indiana Exports, 1988-99, in Billions of Dollars

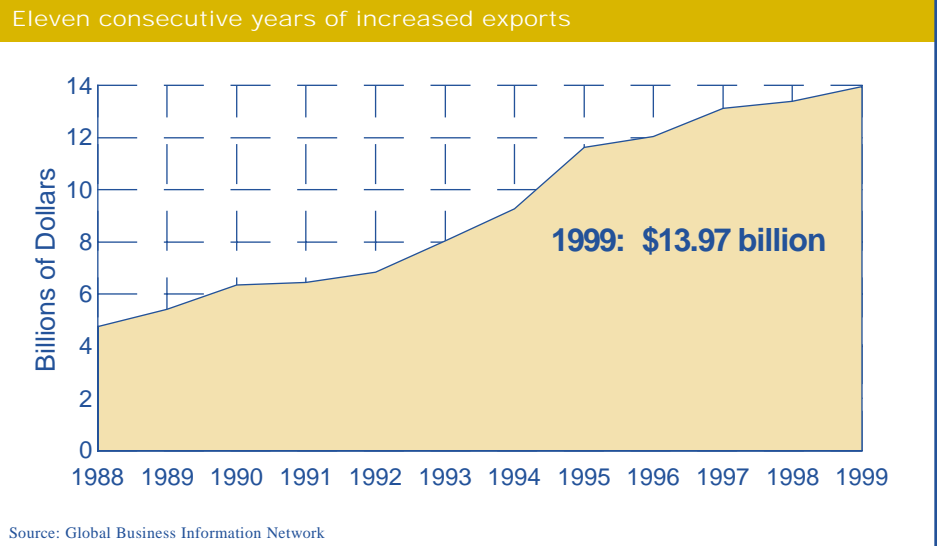
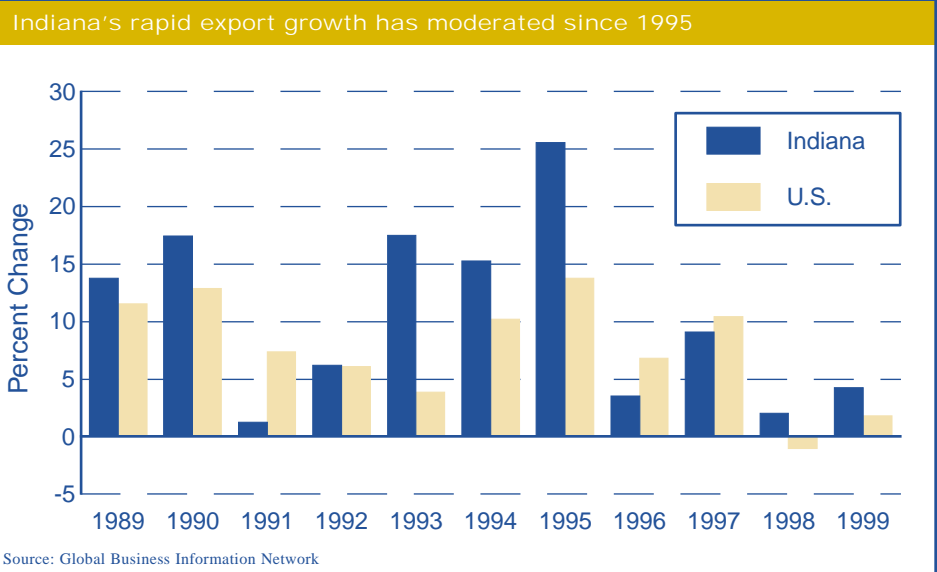


Figure 2: Growth in Exports, Annual Percent Change



in other states and then exported from there, that means some of Indiana's domestic shipments become the export sales of other states.

Transportation equipment is the largest export industry in Indiana (see Figure 4). Transportation equipment exports have grown an average of 29% per year since 1988. The other top export industries in 1999 were

industrial machinery and computer equipment; chemicals; electronic equipment; and sophisticated instruments. Together these five industries accounted for 75% of all export sales from Indiana.

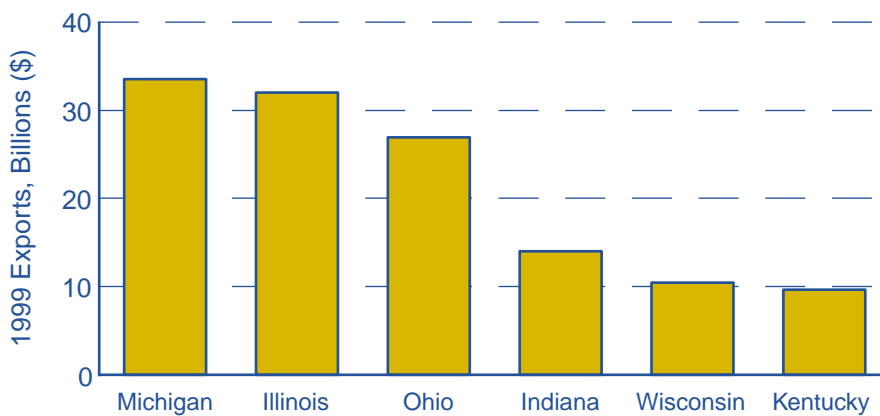
Among the major export sectors, Indiana's fabricated metals industry turned in the highest growth rate, averaging 44% per year since 1988.

Exports from the sophisticated instruments industry expanded at a 32% annual rate, while rubber and plastics products exports climbed 24% per year.

Indiana firms ship to destinations all over the world, but more than half of all Indiana exports go to Canada. Six countries receive 77% of Indiana exports (see Table 1). Exports to Canada have quadrupled since 1988; exports to Mexico have shot up even faster. In 1999 Indiana's exports to Mexico were five times greater than they were in 1988.

Figure 3: 1999 Export Sales, in Billions of Dollars

Michigan leads region, although its export growth has slowed



Source: Global Business Information Network

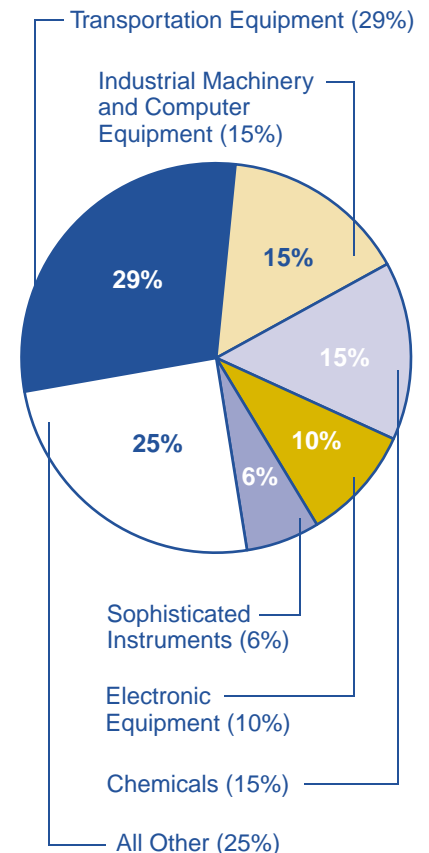
Table 1: 1999 Indiana Export Destinations

Destination	1999 Indiana Exports (\$ Million)	Percent of 1999 Indiana Exports	Percent change from 1998
Canada	7,447	53%	14.5%
United Kingdom	886	6%	-4.2%
Mexico	812	6%	9.4%
Japan	758	5%	-23.7%
France	433	3%	18.3%
Germany	411	3%	-11.2%
Netherlands	280	2%	-4.1%
Brazil	250	2%	-2.2%
Rest of World	2,692	19%	-6.0%
Total	13,970	100%	4.2%

Source: Global Business Information Network

Figure 4: Indiana Exports, 1999

Five industries dominate exports



Source: Global Business Information Network