

# 2008 KANSAS EXPORT STATISTICS



Trade Development Division  
Kansas Department of Commerce

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## EXECUTIVE SUMMARY

Kansas businesses totaled a record \$12.47 billion in exports in 2008, marking the fourth straight year Kansas has achieved an all-time high and the fifth straight year of overall export growth. The 2008 total was a 22.2 percent increase from the 2007 total of \$10.25 billion. Kansas exports have increased 191 percent since 1999, which translates to an average annual increase of \$818 million over the past 10 years.

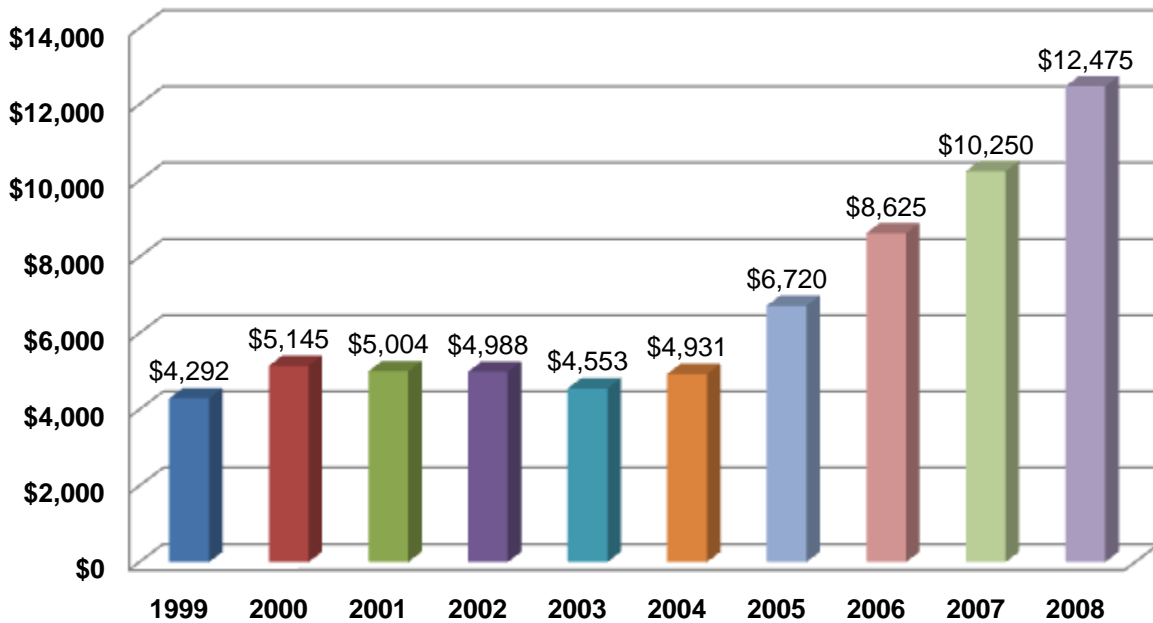
The Aircraft and Cereals industries — the state's first- and third-largest export industries, respectively — saw the largest increase in exports as measured by percentage and absolute value. The Aircraft industry increased its exports by \$862 million (28 percent), while the Cereals industry increased its exports by \$444 million (56 percent). Collectively, these two industries accounted for 59 percent of the state's total export increase. Market segments such as Vehicles (44 percent), Animal Feed (25 percent), Optics (27 percent) and Electrical Machinery (27 percent) also showed significant growth.

While 2008 was a record-setting year, Kansas began to feel the effects of the global economic downturn midway through the year. Kansas exports peaked at \$1.3 billion per month in June 2008 before beginning a downward slide, with December totals coming in at \$791 million. This represents a 39 percent decline over the final six months of 2008. Although we are painfully aware that the momentum of the past four years likely will not be sustained in 2009, last year's record reflects Kansas producers' remarkable innovation and ingenuity in the face of hardship.

Below are points of interest regarding key international markets and industry sectors in 2008:

- In 2008, four industries — Aircraft, Industrial Machinery, Cereals and Electrical Machinery — accounted for 60 percent of the state's exports. Overall, seven of Kansas' top 10 export industries experienced export growth in 2008.
- In 2008, the Aircraft industry — the state's largest industry — totaled a record \$3.96 billion in exports, marking a 28 percent increase from 2007 totals and a 315 percent increase from 2003, the last year Aircraft exports declined.
- Canada was Kansas' largest export market, accounting for 21 percent of total exports. The top three markets (Canada, Mexico and Japan) accounted for 39 percent of the total. Exports to Canada and Mexico increased by 19 percent to \$4.02 billion, with Vehicles, Industrial Machinery, Electrical Machinery and Cereals all showing solid gains.
- Shipments to Western Europe — led by the United Kingdom, Germany and France — were \$3.29 billion and accounted for 26 percent of total exports.
- Kansas beef exports increased \$67 million (13 percent) to \$585 million. The 2008 total marks a 253 percent increase since 2004, when beef exports plummeted due to bovine spongiform encephalopathy (BSE) concerns. The 2008 total is 91 percent of Kansas' pre-BSE beef export average. In other words, Kansas beef producers are 91 percent of the way back to export levels enjoyed prior to the BSE concerns.

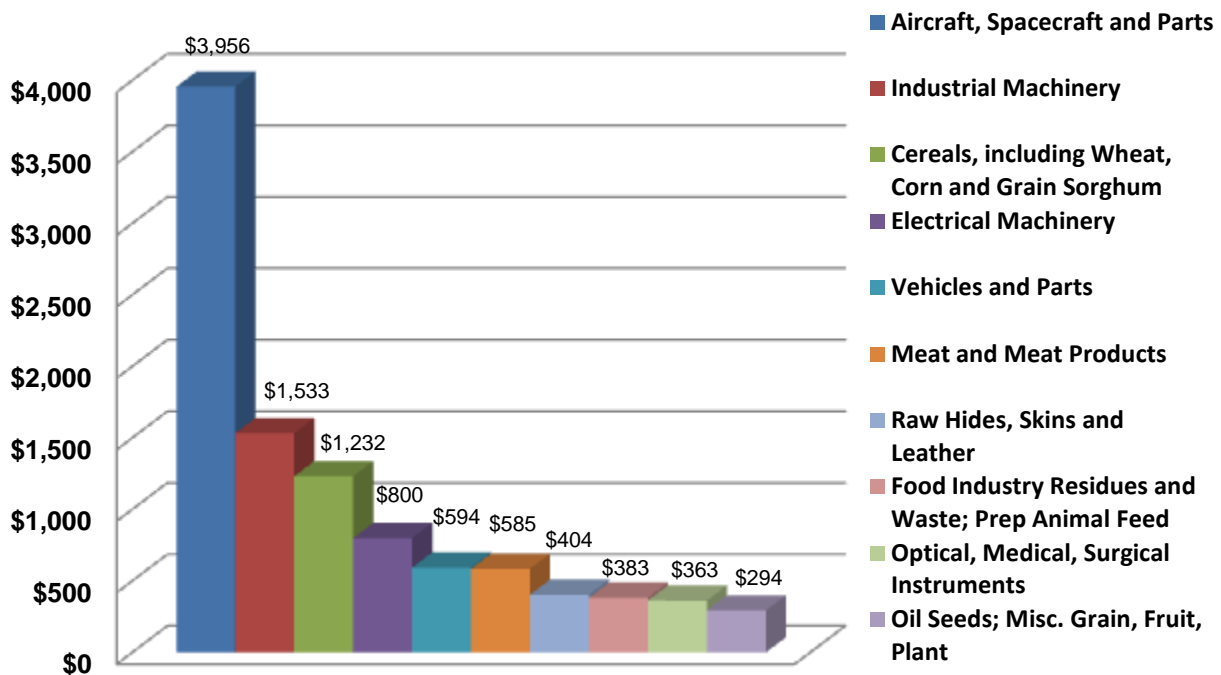
# Total Kansas Exports 1999-2008 \$ Millions



Kansas businesses totaled a record \$12.47 billion in exports in 2008, marking the fourth straight year Kansas has achieved an all-time high and the fifth straight year of overall export growth. The 2008 total was a 22.2 percent increase from the previous year's total of \$10.25 billion.

Kansas exports have increased \$8.1 billion (191 percent) since 1999, which equates to an average annual increase of \$818 million over the past 10 years. The first half of this 10-year span saw export totals consistently within the \$4-5 billion range. But the past four years saw exports accelerate at an average annual rate of 26 percent, resulting in record totals each year.

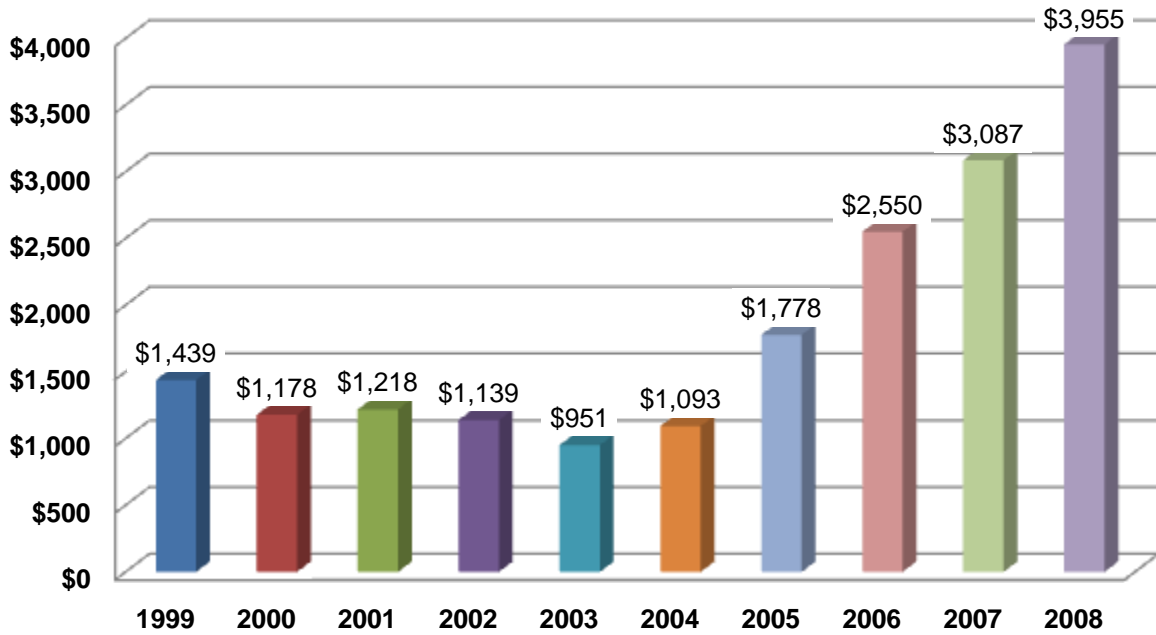
## 2008 Top 10 Export Industries \$ Millions



In 2008, four industries — Aircraft, Industrial Machinery, Cereals and Electrical Machinery — accounted for 60 percent of the state’s exports. Of note was strong growth in smaller market categories, which is helping the state diversify its economy. Overall, seven of Kansas’ top 10 export industries experienced export growth in 2008. The following is a ranking of top export industries with the change in dollar value and percentage from 2007:

1. Aircraft, Spacecraft and Parts: increased \$862 million (28 percent)
2. Industrial Machinery: decreased \$47 million (3 percent)
3. Cereals: increased \$444 million (56 percent)
4. Electrical Machinery: increased \$171 million (27 percent)
5. Vehicles and Parts: decreased \$182 million (44 percent)
6. Meat and Meat Products: increased \$67 million (13 percent)
7. Raw Hides, Skins and Leather: decreased \$76 million (16 percent)
8. Food Industry Residue and Waste; Prep Animal Feed: increased \$76 million (25 percent)
9. Optical, Medical, Surgical Instruments: increased \$78 million (27 percent)
10. Oil Seeds; Misc. Grain, Fruit, Plant: increased \$49 million (20 percent)

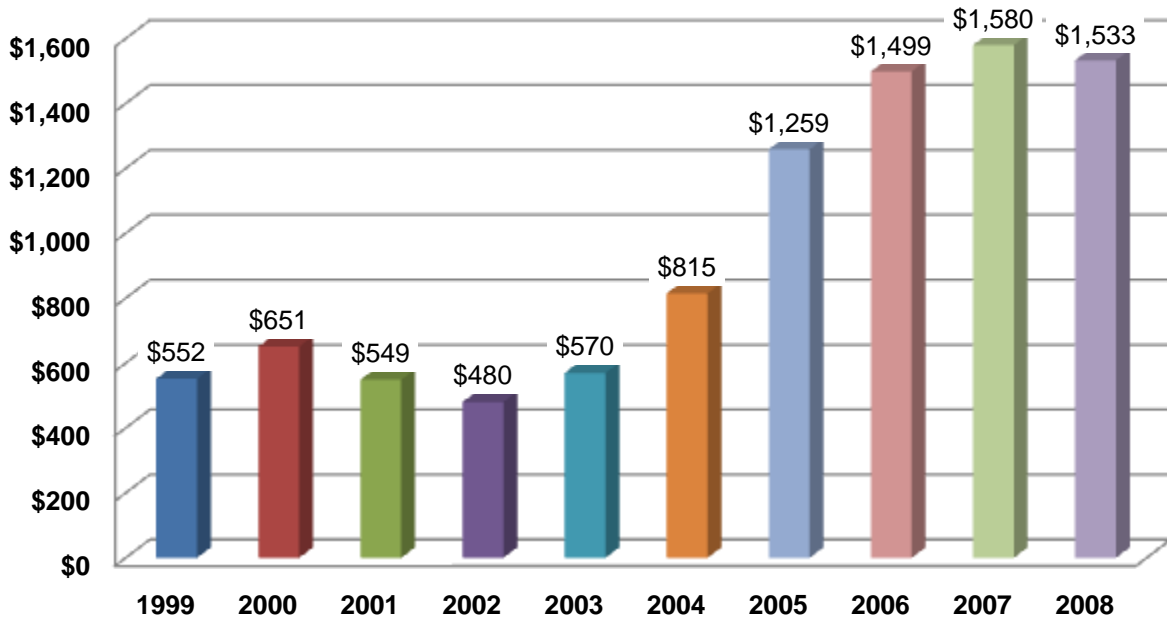
# Aircraft Exports 1999-2008 \$ Millions



In 2008, the Aircraft industry — the state’s largest industry — totaled a record \$3.96 billion in exports, marking a 28 percent increase from 2007 totals and a 315 percent increase from 2003, the last year Aircraft exports declined. Unfortunately, 2008’s totals are unlikely to be matched in 2009, thanks to recently announced workforce reductions by some of the industry’s largest producers. These reductions will be the first large-scale industry cuts since 2002-03.

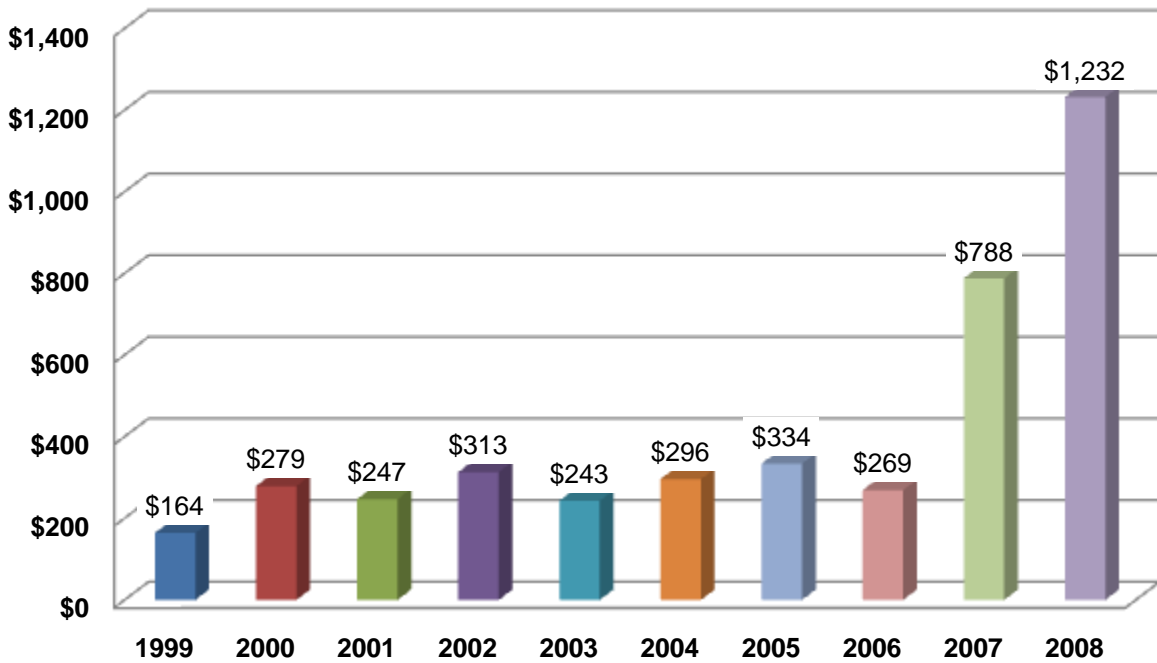
# Industrial Machinery Exports 1999-2008

\$ Millions



In 2008, overall exports of Industrial Machinery — the state’s second-largest export category — decreased 3 percent (\$1.58 billion to \$1.53 billion) from 2007. Despite this slight decline, 2008 was still the second-best year ever for Industrial Machinery exports and represents roughly three times the volume of Industrial Machinery exports typical in the first three years of the decade.

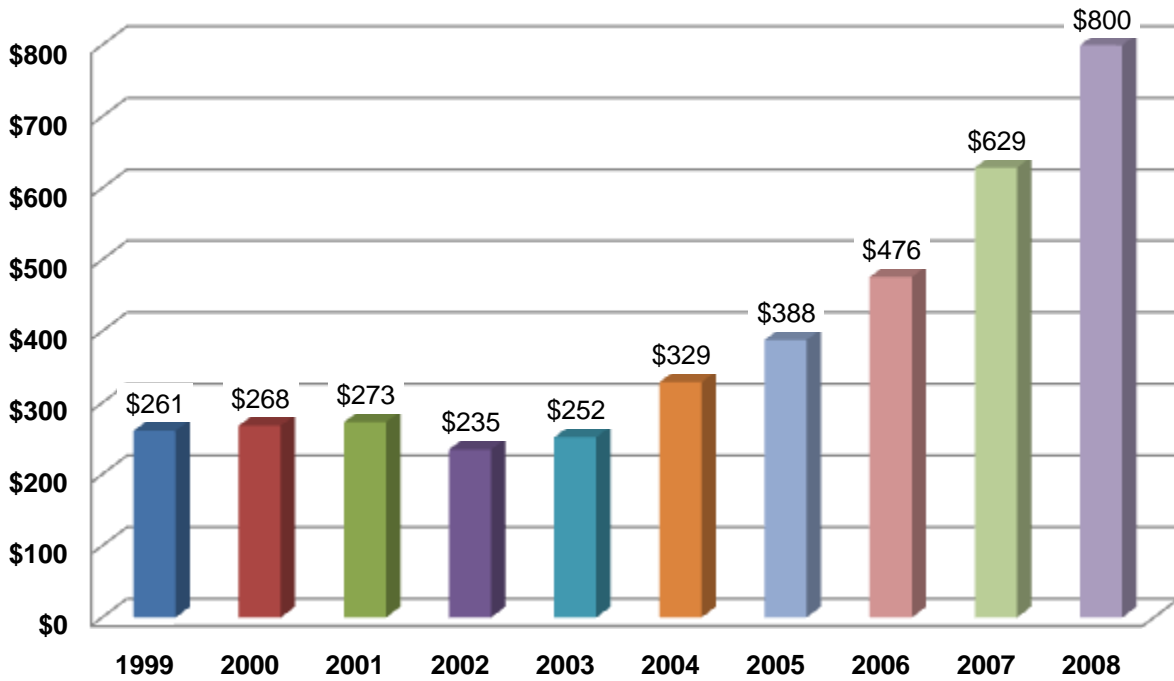
## Cereals Exports 1999-2008 \$ Millions



The Cereals industry (which includes Wheat, Corn and Grain Sorghum) was Kansas' third-most prolific export industry in 2008, totaling 1.2 billion in foreign sales. This represented an increase of \$444 million (56 percent) from 2007 and an increase of \$864 million (460 percent) over the past two years. As evidenced by the above chart, Cereals exports in 2007 and 2008 increased dramatically from the first half of the decade, when foreign sales consistently hovered between \$200 million and \$335 million.

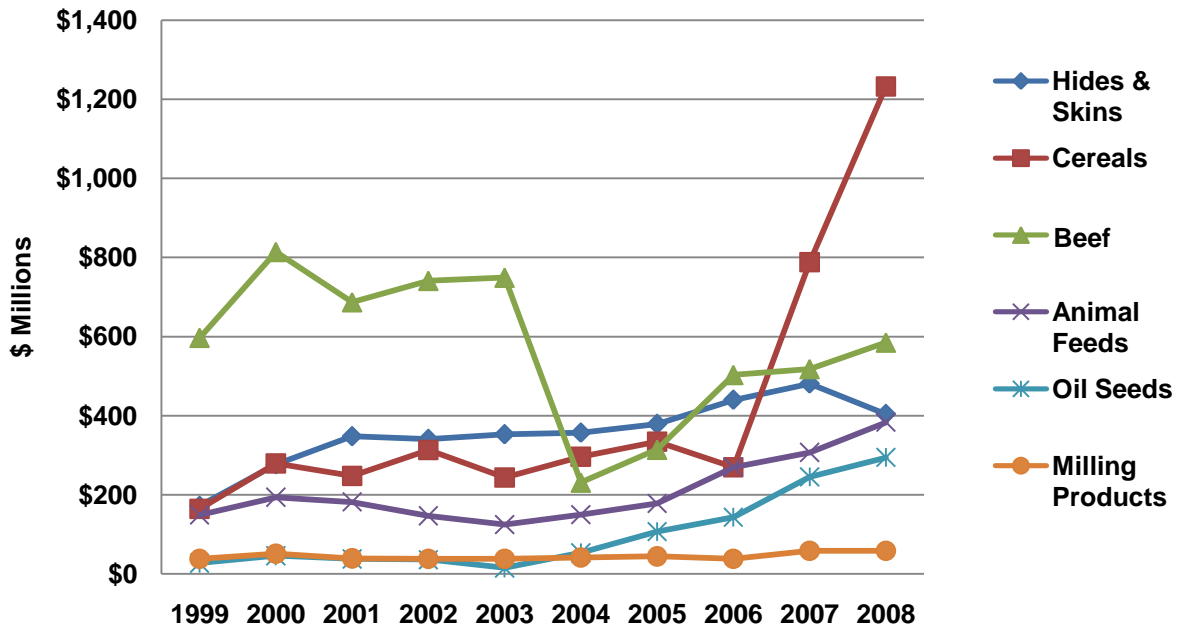


# Electrical Machinery Exports 1999-2008 \$ Millions



Exports of Electrical Machinery — Kansas’ fourth-largest export category — increased \$171 million (27 percent) to a record-high of \$800 million. Last year marked the eighth time in the past nine years that exports of Industrial Machinery have increased from the previous year.

## Combined Agricultural Exports 1999-2008



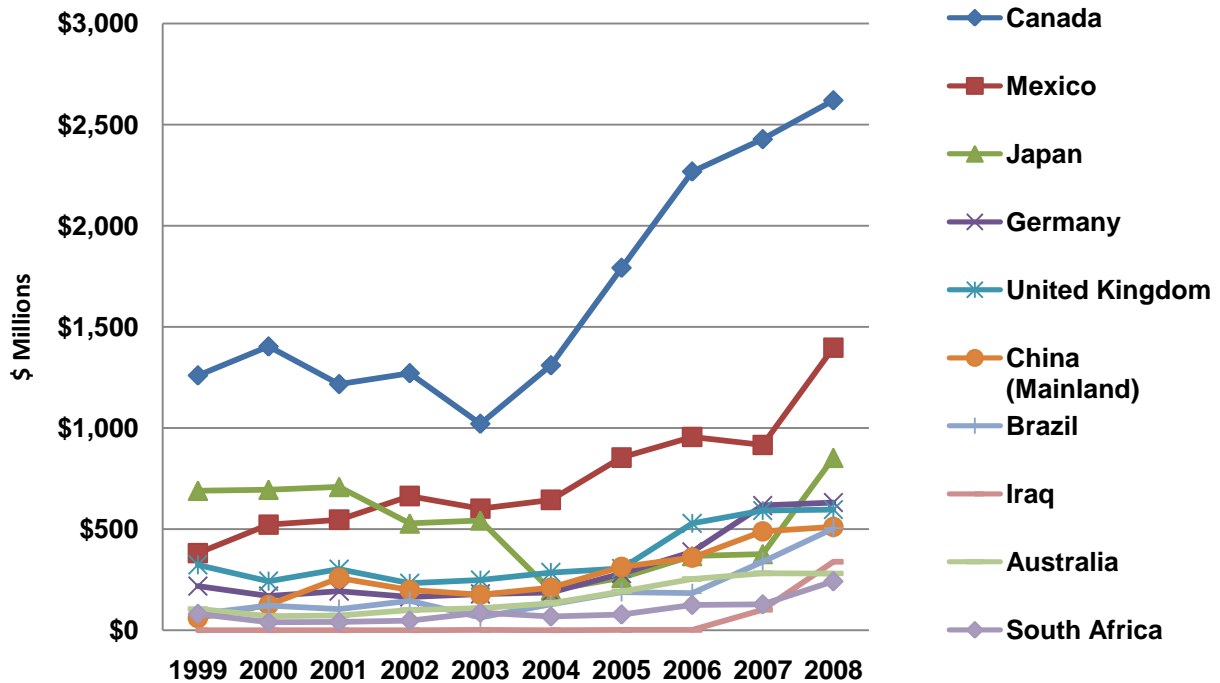
Kansas agricultural products remained in high demand in 2008, with exports of Cereals, Beef and Beef Products and Animal Feeds all increasing. Hides & Skins was the only ag-related sector that saw a slight decline from 2007 levels.

Exports of Beef and Beef Products increased \$67 million (13 percent) to \$585 million. The 2008 total marks a 253 percent increase since 2004, when beef exports plummeted due to bovine spongiform encephalopathy (BSE) concerns, primarily in Japan and Asia. The 2008 total is 91 percent of Kansas' pre-BSE beef export average — meaning Kansas beef producers are 91 percent of the way back to export levels enjoyed prior to the BSE concerns.

The commodities breakdown is as follows:

- Cereals: increased \$444 million (56 percent)
- Hides & Skins: decreased \$77 million (16 percent)
- Beef and Beef Products: increased \$67 million (13 percent)
- Animal Feeds: increased \$76 million (25 percent)
- Oil Seeds: \$49 million (20 percent)
- Milling Products: no change

## Top 10 Export Nations 2008

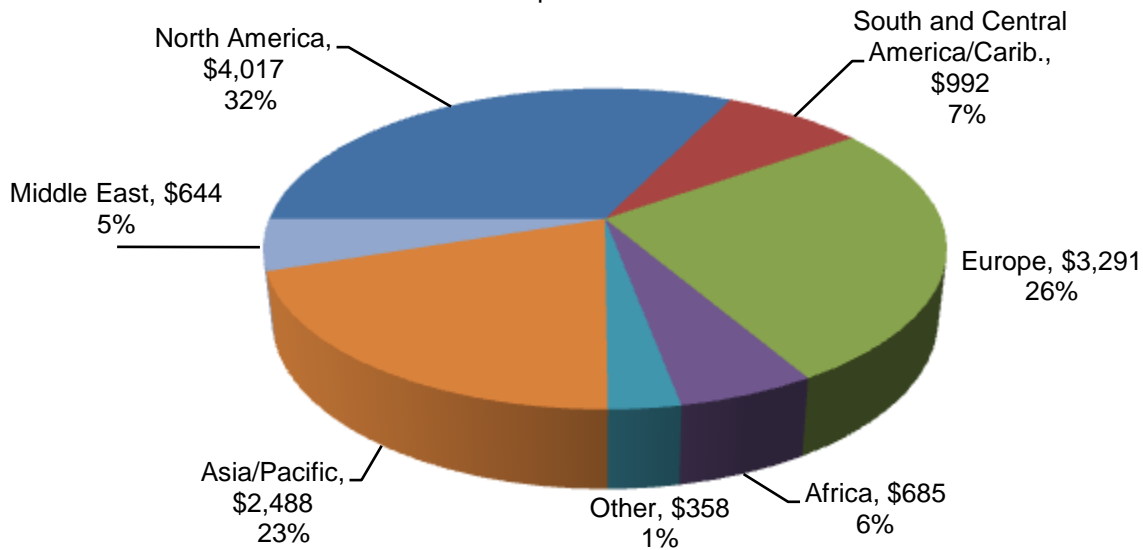


For the second straight year, Canada and Mexico were Kansas first- and second-most prolific trade partners, respectively. Japan finished the year No. 3.

	% of Total KS Exports	% Change 2007-2008	EXPORTS (\$Millions)			
			2008	2007	2006	2005
Canada	21.0%	8%	\$2,620	\$2,428	\$2,268	\$1,792
Mexico	11.2%	53%	\$1,397	\$916	\$956	\$854
Japan	6.8%	126%	\$853	\$377	\$367	\$259
Germany	5.1%	2%	\$631	\$616	\$387	\$280
United Kingdom	4.8%	1%	\$597	\$593	\$529	\$306
China (Mainland)	4.1%	4%	\$511	\$489	\$360	\$313
Brazil	4.0%	49%	\$504	\$339	\$183	\$188
Iraq	2.7%	236%	\$339	\$101	\$2	\$2
Australia	2.3%	0%	\$281	\$282	\$253	\$192
South Africa	1.9%	89%	\$242	\$128	\$125	\$78
<b>Top 10 Total:</b>	<b>63.9%</b>	<b>27%</b>	<b>\$7,975</b>	<b>\$6,269</b>	<b>\$5,430</b>	<b>\$4,264</b>
<b>Total KS Exports:</b>		<b>22%</b>	<b>\$12,475</b>	<b>\$10,250</b>	<b>\$8,625</b>	<b>\$6,720</b>

## 2008 Top Six Export Regions

\$ Millions



### 2008 Growth in Top Six Export Regions

#### 1. North America: Up \$673 million (20 percent)

Increased exports of Vehicles (31 percent), Industrial Machinery (21 percent), Electrical Machinery (31 percent) and Cereals (63 percent) accounted for most of the overall export increase.

#### 2. Europe: Up \$683 million (14 percent)

Increased exports of Vehicles (93 percent), Rubber Articles (64 percent), Chemical Products (48 percent), Meat and Meat Offal (237 percent) and Cereals (91 percent) accounted for most of the overall export increase.

#### 3. Asia/Pacific: Up \$441 million (21 percent)

Increased exports of Aircraft, (127 percent), Electrical Machinery (24 percent), Optic & Medical Instruments (33 percent) and Meat and Meat Products (430 percent) accounted for most of the overall export increase.

#### 4. Central and South America and the Caribbean: Up \$224 million (29 percent)

Increased exports of Cereals (160 percent), Electrical Machinery (317 percent), Optics & Medical Instruments (170 percent) and Vehicles (244 percent) accounted for most of the overall export increase.

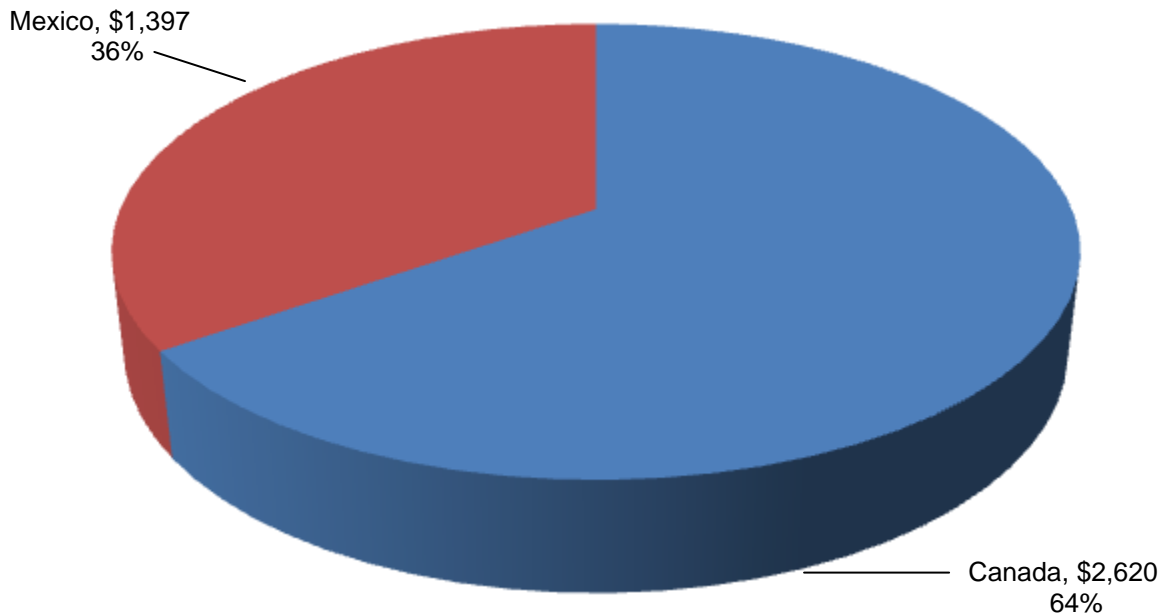
#### 5. Africa: Up \$253 million (70 percent)

Increased exports of Vehicles (215 percent), Beef & Beef Products (298 percent), Aircraft (89 percent) and Electrical Machinery (69 percent) accounted for most of the overall export increase.

#### 6. Middle East: Up \$286 million (84 percent)

Increased exports of Cereals (118 percent), Electrical Machinery (227 percent), Vehicles (972 percent), Aluminum Articles (375 percent) and Rubber Articles (414 percent) accounted for most of the overall export increase.

## 2008 Exports to North America



North America remains Kansas' largest export market. In 2008, North American exports totaled \$4.02 billion (32 percent of total Kansas exports), marking an increase of 20 percent from the previous year. Below is a breakdown of 2008 exports to Canada and Mexico, with dollar totals for 2008 and percent change from 2007:

### **Canada: \$2.6 billion (up 7 percent)**

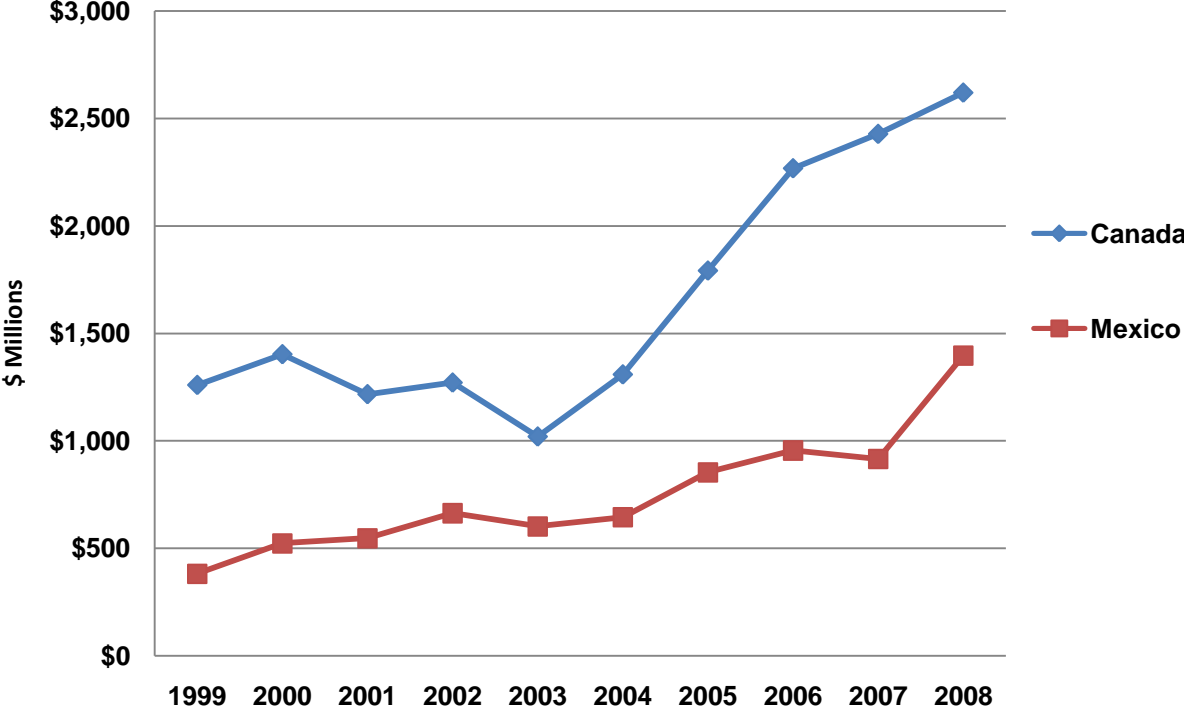
- Vehicles – \$448 million (up 31 percent)
- Electrical Machinery – \$374 million (up 23 percent)
- Industrial Machinery – \$340 million (up 3 percent)
- Aircraft – \$211 million (down 29 percent)

### **Mexico: \$1.4 billion (up 53 percent)**

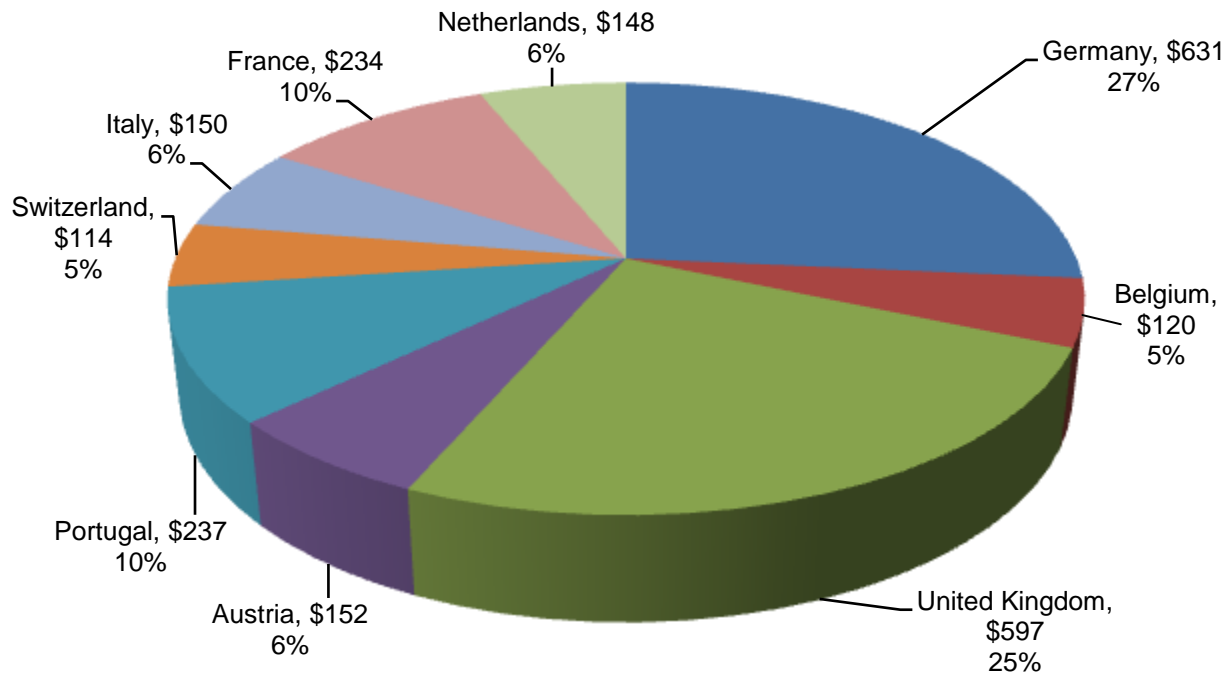
- Cereals – \$384 million (up 70 percent)
- Oil Seeds, etc. – \$218 million (up 67 percent)
- Meat – \$203 million (up 48 percent)
- Industrial Machinery – \$110 million (up 166 percent)
- Aircraft - \$92 million (down 3 percent)

# Exports to North America 1999-2008

\$ Millions



## 2008 Exports to Europe \$ Millions



Europe was Kansas' second-largest export market behind North America. In 2008, exports to Europe were \$3.29 billion (26 percent of total Kansas exports), marking an increase of 14 percent from the previous year. The overall increase stemmed primarily from increases in Aircraft, Industrial Machinery and Electrical Machinery. Below is a breakdown of the largest European markets for Kansas goods, with dollar totals for 2008 and percent change from 2007:

### **Germany: \$631 million (up 2 percent)**

- Aircraft: \$419 million (up 4 percent)
- Industrial Machinery: \$81 million (down 32 percent)
- Optics: \$34 million (up 20 percent)

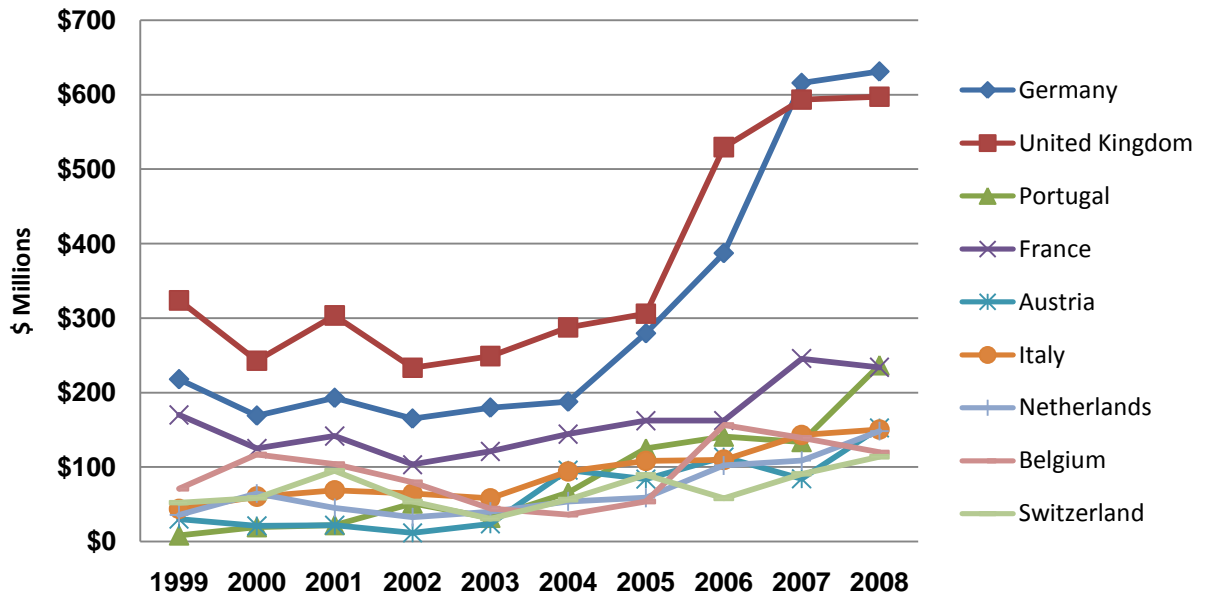
### **United Kingdom: \$597 million (up 1 percent)**

- Aircraft: \$335 million (up 1 percent)
- Industrial Machinery: \$70 million (down 9 percent)
- Electrical Machinery: \$57 million (up 19 percent)

### **France: \$234 million (down 5 percent)**

- Aircraft: \$61 million (down 41 percent)
- Industrial Machinery: \$33 million (down 33 percent)
- Electrical Machinery: \$68 million (up 47 percent)

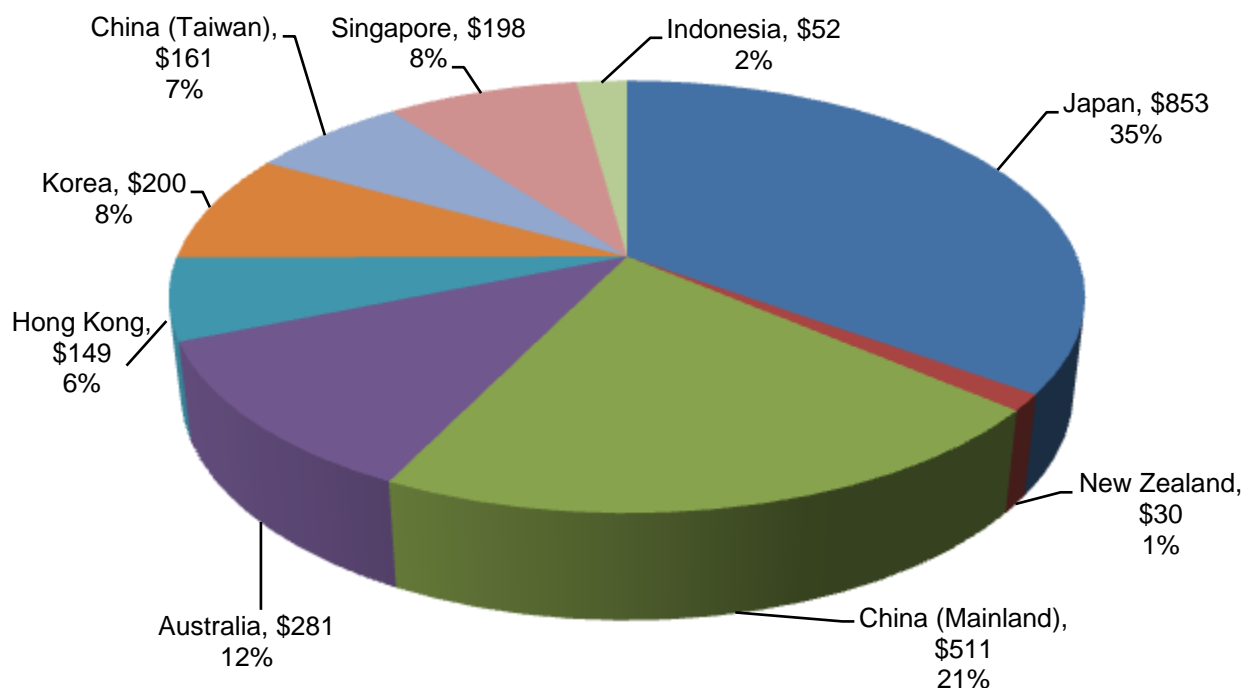
## Kansas Exports to Europe 1999-2008





## 2008 Kansas Exports to Asia/Pacific

\$ Millions



The Asia/Pacific region was Kansas' third-largest export market behind North America and Europe. In 2008, exports to the Asia/Pacific region were \$2.48 billion (23 percent of total exports), marking an increase of 21 percent from the previous year.

Approximately 66 percent of Kansas exports to this region went to three countries — China, Japan and Australia. Below is a breakdown of the largest Asia/Pacific region markets for Kansas exports, with dollar totals for 2008 and percent change from 2007:

### China: \$511 million (up 4 percent)

- Raw Hides and Skins: \$220 million (down 3 percent)
- Industrial Machinery: \$46 million (down 36 percent)
- Aircraft: \$40 million (up 15 percent)
- Special Class (Repaired items): \$49 million (up 706 percent)

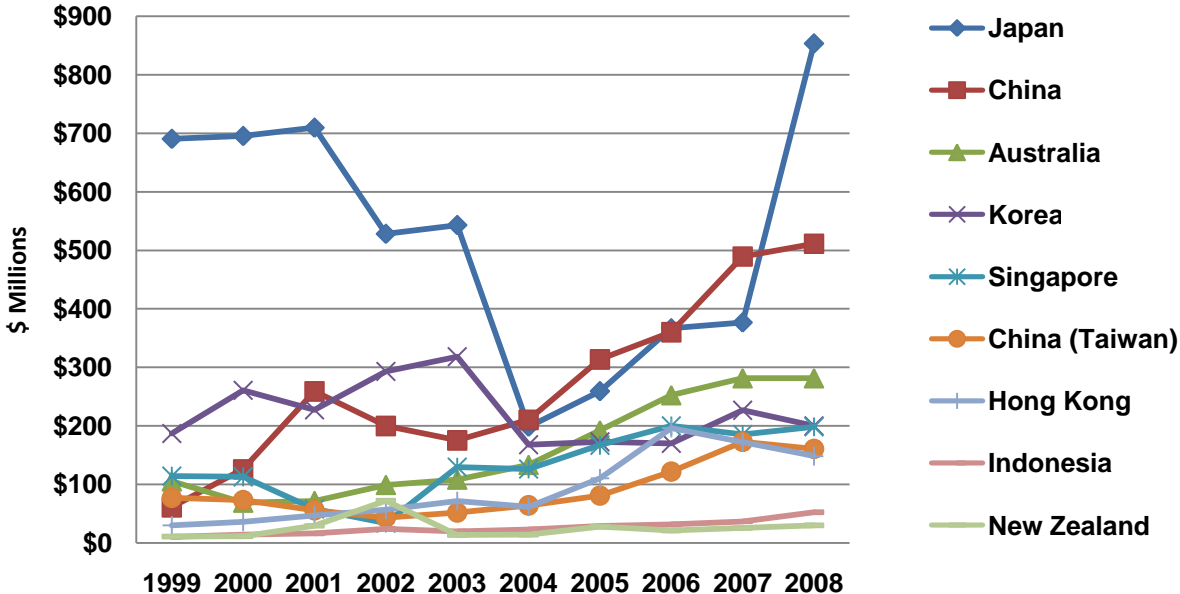
### Japan: \$853 million (up 126 percent)

- Food Industry Residues: \$154 million (up 27 percent)
- Meat and Meat Products: \$109 million (up 75 percent)
- Aircraft: \$432 million (up 694 percent)

### Australia: \$281 million (no change)

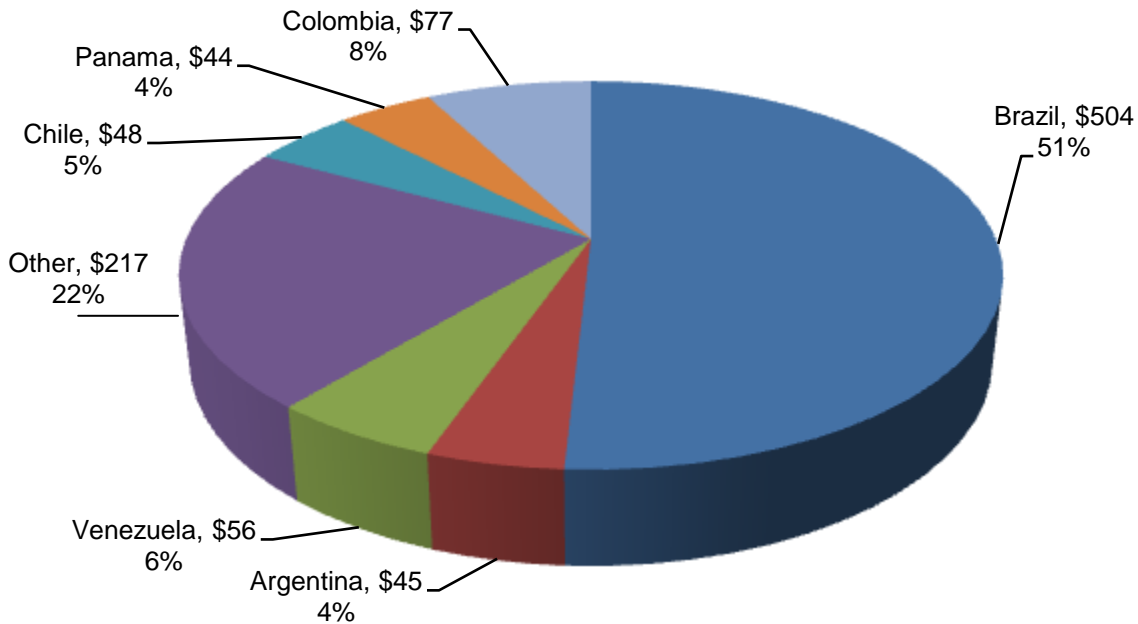
- Aircraft: \$106 million (down 14 percent)
- Industrial Machinery: \$67 million (up 14 percent)
- Animal Feed: \$29 million (up 21 percent)

# Kansas Exports to Asia/Pacific 1999-2008



## 2008 Exports to South and Central America and the Caribbean

\$ Millions



South and Central America and the Caribbean was Kansas' fourth-largest export market behind North America, Europe and the Asia/Pacific region. In 2008, exports to South and Central America and the Caribbean were \$992 million (7 percent of total exports), marking an increase of \$224 million (29 percent) from the previous year. The overall increase stemmed primarily from increased exports of Aircraft to Brazil, Chile and Venezuela. Nearly 72 percent of the state's exports to this region went to South America (\$772 million), followed by the Caribbean (\$136 million) and Central America (\$133 million). Below is a breakdown of the largest South & Central America and Caribbean markets for Kansas goods, with dollar totals for 2008 and percent change from 2007:

### **Brazil: \$504 million (up 49 percent)**

- Aircraft: \$310 million (up 32 percent)
- Cereals: \$86 million (up 90 percent)
- Industrial Machinery: \$72 million (up 100 percent)

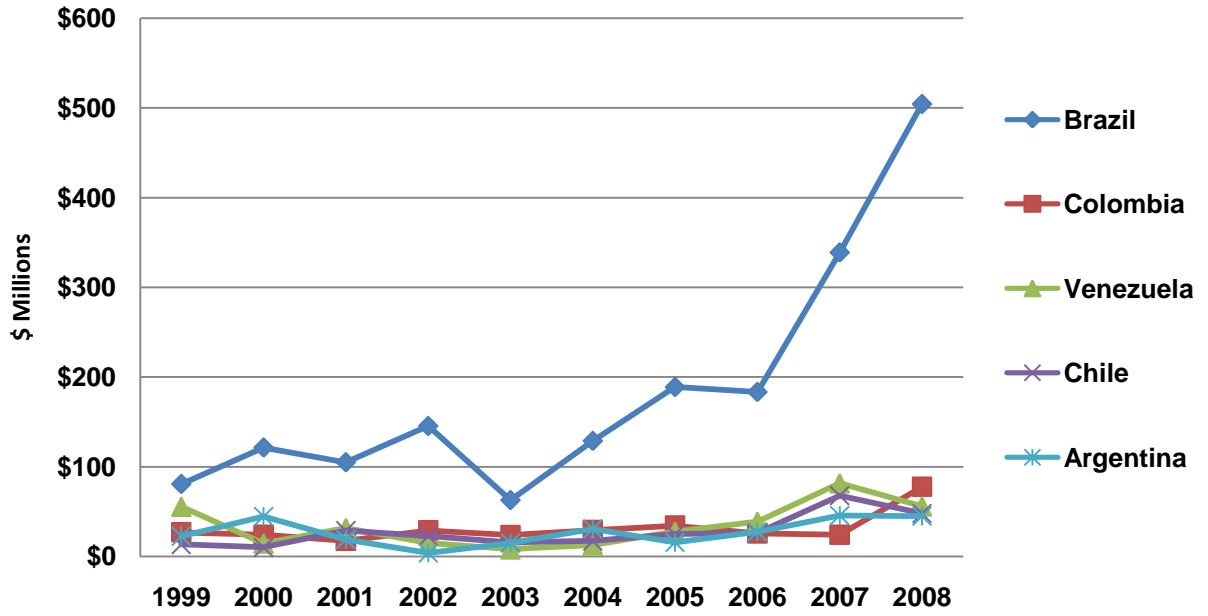
### **Venezuela: \$56 million (down 31 percent)**

- Aircraft: \$13 million (down 81 percent)
- Vehicles: \$13 million (up 978 percent)
- Industrial Machinery: \$11 million (up 47 percent)

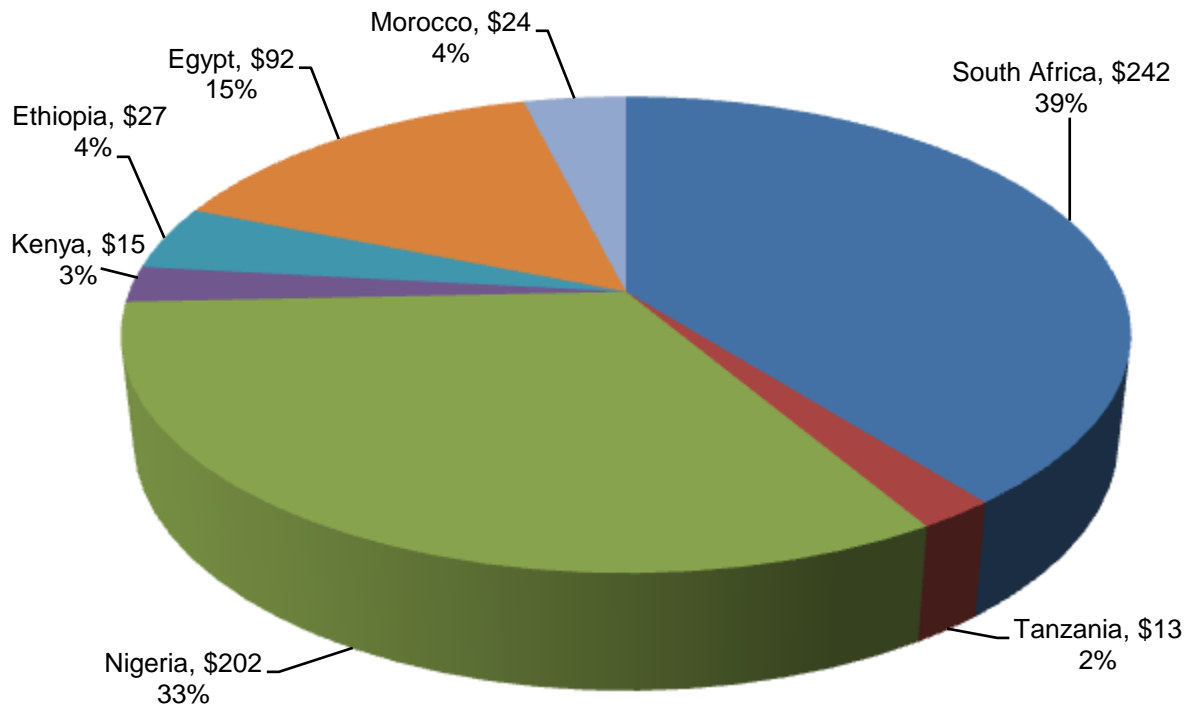
### **Colombia: \$77 million (up 220 percent)**

- Cereals: \$26 million (up 207 percent)
- Aircraft: \$26 million (up 9,468 percent)
- Industrial Machinery: \$9 million (up 67 percent)

# Exports to South America 1999-2008



## 2008 Exports to Africa \$ Millions



Africa was Kansas' fifth-largest export market behind North America, Europe, the Asia/Pacific region and South & Central America and the Caribbean. In 2008, exports to Africa were \$685 million (6 percent of total Kansas exports), marking an increase of 70 percent from the previous year. Below is a breakdown of the largest African markets for Kansas goods, with dollar totals for 2008 and percent change from 2007:

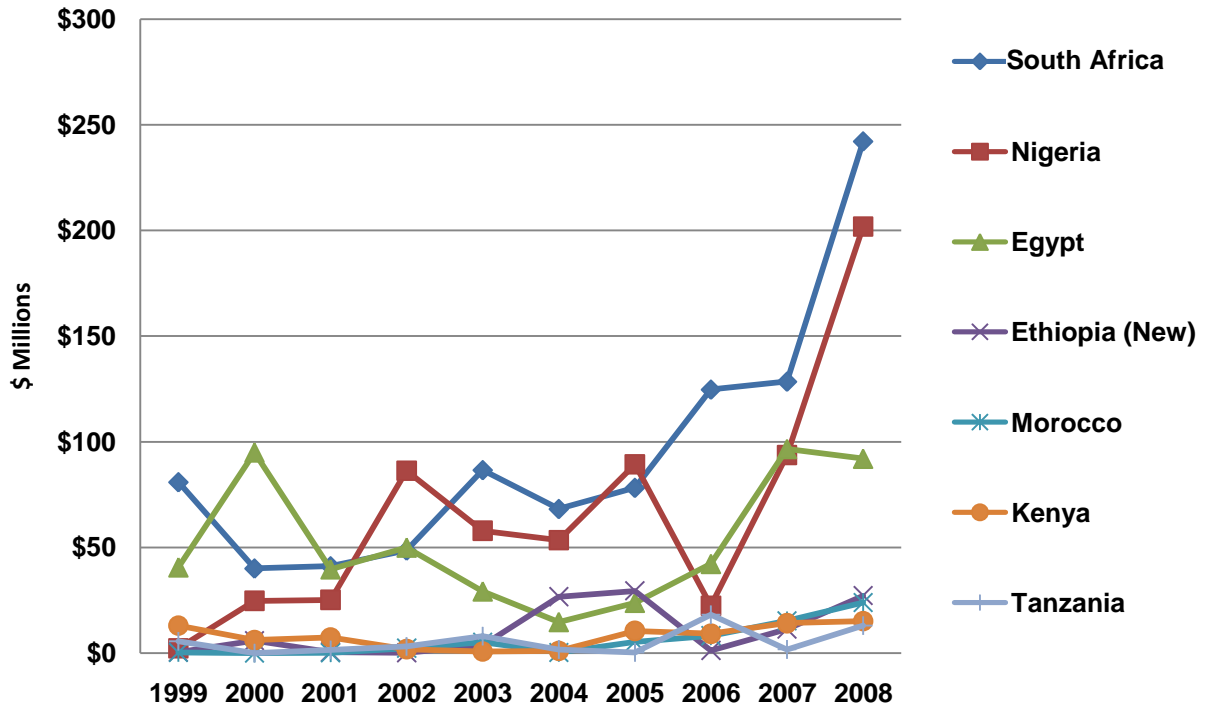
### **Republic of South Africa: \$242 million (up 88 percent)**

- Aircraft: \$145 million (down 97 percent)
- Cereals: \$48 million (up 159 percent)
- Industrial Machinery: \$24 million (up 50 percent)

### **Nigeria: \$202 million (up 115 percent)**

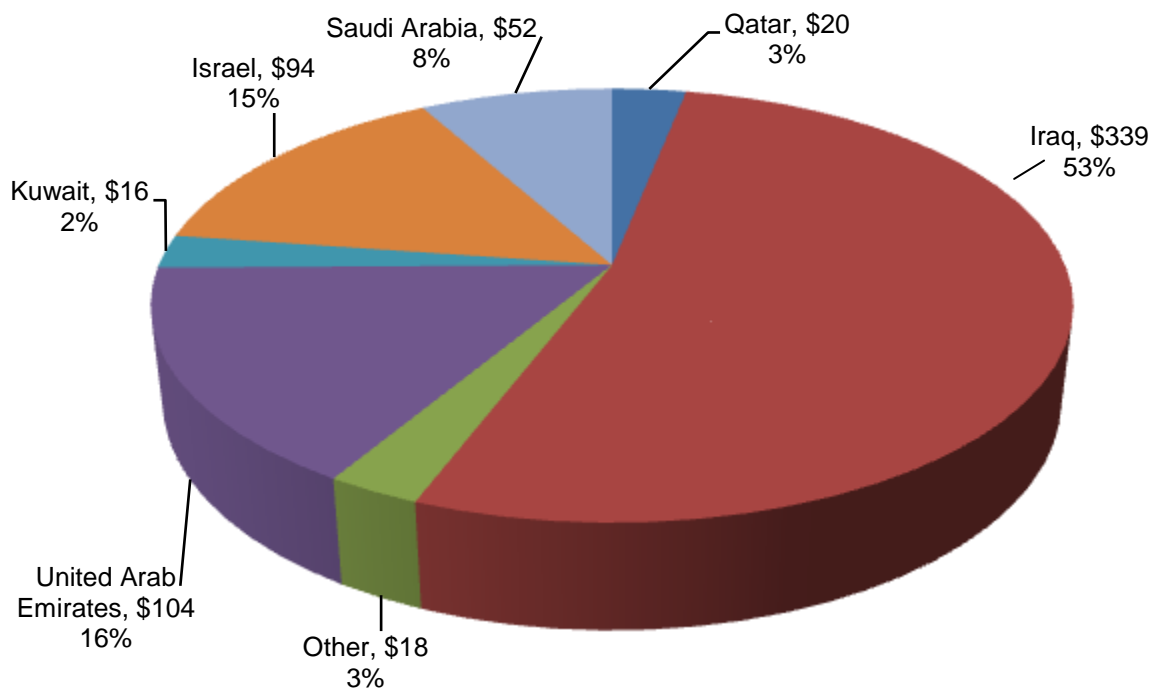
- Cereals: \$183 million (up 130 percent)
- Aircraft: \$12 million (up 9 percent)

## Exports to Africa 1999-2008



## 2008 Exports to the Middle East

\$ Millions



The Middle East was Kansas' sixth-largest export market behind North America, Europe, the Asia/Pacific region, South & Central America and the Caribbean and Africa. In 2008, exports to the Middle East were \$644 million (5 percent of total exports), marking an increase of 68 percent from the previous year. Below is a breakdown of the largest African markets for Kansas goods, with dollar totals for 2008 and percent change from 2007:

### **Iraq: \$339 million (up 234 percent)**

- Aircraft: \$76 million (up 1046 percent)
- Cereals: \$241 million (up 159 percent)
- Electrical Machinery: \$16 million (up 2,556 percent)

### **United Arab Emirates: \$104 million (up 28 percent)**

- Aircraft: \$45 million (down 5 percent)
- Industrial machinery: \$18 million (up 5 percent)
- Vehicles: \$16 million (up 6,949 percent)

# Kansas Exports to the Middle East 1999-2008

