



**Department of
Development**

Policy Research and Strategic Planning Office
A State Affiliate of the U.S. Census Bureau

**Ohio Exports 2009
Origin of Movement Series
March 2010**



Ted Strickland, Governor of Ohio
Lee Fisher, Lt. Governor of Ohio
Lisa Patt-McDaniel, Director



Department of Development

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Lee Fisher, Lt. Governor

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Dear Fellow Ohioans:

Ohio exports totaled \$34.1 billion in 2009, making Ohio the seventh-largest exporting state in the nation. The numbers released in February 2010 by the U.S. Department Commerce International Trade Administration show that Ohio exports declined 25 percent from the previous year, but despite the decrease, Ohio's overall strength in exports makes us the only state to increase exports in 10 of the past 11 years.

The enclosed annual report on Ohio exports provides summary detail on the countries and products that Ohio companies shipped to during 2009. Canada and Mexico are Ohio's largest trading partners, comprising 49 percent of the total value of shipments during the past year. Exports to China continued to grow despite the economic challenges, moving it to third in shipments. Six commodity groups ship more than \$1 billion each across the globe, and Machinery, Vehicles, and Aircraft are Ohio's leading product groups with \$15.2 billion in shipments.

Ohio's diverse industry base makes our state a global market leader. This diversity is complemented by a business environment that allows for professional success and an environment outside the office for personal fulfillment. Ohio's unique combination of life and work amenities makes our state a place of perfect balance, where you can achieve your professional and personal aspirations.

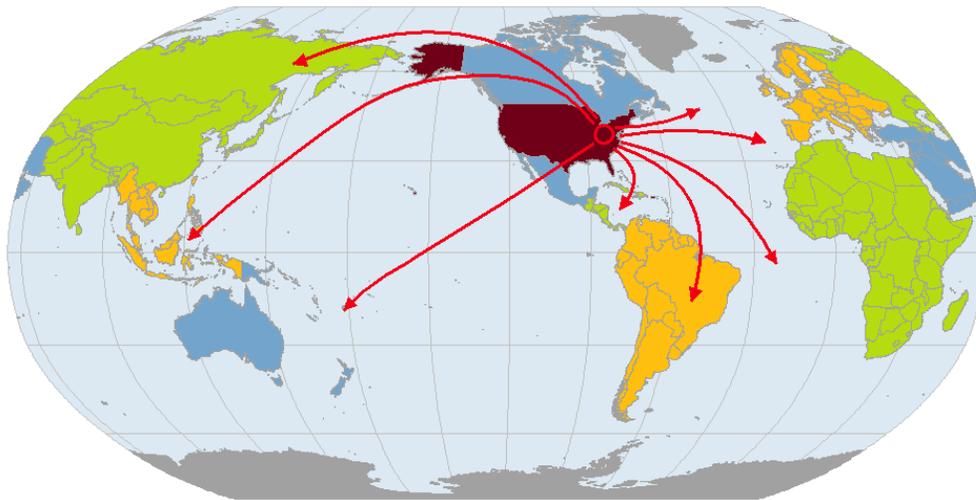
I invite you to review the attached report to further your understanding of Ohio's large and diverse economy. We welcome your input. If you have any questions or comments, please contact John Magill, our Department's Chief Strategic Officer, at (614) 466-2116.

Sincerely,

Lisa Patt-McDaniel
Director

Ohio Exports 2009

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DEFINITIONS

Guide to Export Data

Prepared by the U.S. Department of Commerce, International Trade Administration

State Export Data (Origin state based)

The Census Bureau's Origin of Movement (OM) series is based on information supplied by U.S. exporters on official Shippers Export Declarations (SEDs) for goods leaving the United States. All statistics in the OM series are on a free-alongside-ship (f.a.s.) basis and include both domestic exports and re-exports.

The OM series seeks to measure state exports on the basis of transportation origin – i.e., the location from which exports begin their journey to the port (or other point) of exit from the United States.

The OM series covers exports of merchandise only. Exports of services are excluded from the data.

Similarly, no OM statistics are available for state-level imports. The collection of state import data presents enormous technical challenges, since it would require tracking foreign goods through the U.S. wholesale and retail distribution systems. Consequently, it is not currently possible, using OM data or any other U.S. trade data, to calculate state trade balances.

The OM series covers direct exports only. A direct export is one consisting of final goods shipped to a destination outside the United States. So-called indirect exports are excluded from the data. Indirect exports are typically intermediate goods, parts, or other inputs that are shipped within the United States, and subsequently incorporated in final export goods. Such shipments represent domestic transactions – they are not considered exports in U.S. trade statistics.

Cross-border shipments made by foreign affiliates of U.S. companies (e.g., a shipment from a French subsidiary to a German customer) are not U.S. exports. These transactions may affect the finances of U.S. firms and reflect a global business strategy, but they are not exports. Exports include only goods and services that are outbound from the United States and which transit its borders.

The OM series was not designed to measure the state distribution of U.S. export production or export-related jobs. The focus is transportation origin, not manufacturing origin.

There are nonetheless many cases when the state origin of movement and the state of production happen to be the same. The origin of movement and origin of production often coincide because many manufacturers ship exports directly from the factory gate or from a nearby distribution facility.

There is no listing of states for which the Origin of Movement series is a good proxy for export production. Additional research is needed in this area. As a general rule, however, it appears that the OM series is indicative of export production when (1) intermediaries are minor exporters in a state, (2) manufacturers – especially single-establishment firms – dominate exports, and (3) the state is a known producer of the goods being exported.

The OM series in some cases will show considerable manufactured exports from states known to have little manufacturing capability. This is partly attributable to export marketing by in-state intermediaries. These exporters frequently ship manufactures produced by out-of-state suppliers from in-state distribution centers. Another factor is shipments of manufactures from in-state warehouses and other distribution centers that

are arranged by exporters located out of state. In both cases, manufactured exports from the non-industrial state are magnified on an origin-of-movement basis.

Another limitation of the OM series is that, in certain cases, it falls short of its goal of measuring transportation origin. The problem stems from the fact that many intermediaries have traditionally listed the state which they are located - which is not necessarily the origin of movement - as the "state of origin" on SEDs. For many other transactions, intermediaries specify the state location of the port of exit - which very often is not the state where goods began their export journey.

The result is significant inconsistencies in the state-level allocation of exports sold by intermediaries. The primary impact is on the state distribution of non-manufactured exports, where intermediaries are overwhelmingly dominant. Most affected is the allocation of exports of farm products, minerals, and other bulk commodities - virtually all of which are sold abroad by intermediaries. The impact on manufactured exports is much more limited, due to the fact that intermediaries account for only about one-third of U.S. exports of manufactures.

The most visible result of the problem is a tendency to understate exports from agricultural states and inflate exports from states having ports that handle high-value shipments of farm products (e.g., Louisiana).

Yet another data issue is that some shippers fail to fill in the "state of origin" block on the SED, or furnish invalid or illegible entries. Consequently, the Census Bureau is presently unable to determine the state origin of movement for about five percent of the value of U.S. exports.

Metropolitan Export Data (ZIP code based)

All metropolitan export numbers were tabulated by matching the five-digit ZIP codes entered on the U.S. export declarations with the five-digit ZIP codes specified for each metropolitan area using concordance files from the Census Bureau's Geography Division and the U.S. Postal Service.

In 2005, there were cases where two or more adjacent metro areas share the same five-digit ZIP code where it is impossible to assign export transactions for the ZIP code to any single metropolitan area. In such cases, export transactions for the ZIP code in question were assigned to a catch-all "crossovers" category. The crossovers category in 2005 accounted for about 2 percent of total merchandise exports. In 2006, the Office of Management and Budget eliminated this issue and assigned a single metropolitan area to each five-digit ZIP code.

Regarding comparability with other U.S. trade data, the export figures can be used in conjunction with the **OM-ZIP-based state-level data** issued by the U.S. Census Bureau. Using these data together it is possible to show Cleveland's share of Ohio's export sales.

For the metro areas for which it is possible to release some export data, disclosure regulations still limit or prevent the release of much detail on foreign markets and the industry composition of exports. Manufactured product detail, even for the largest exporting metropolitan area, is limited to broad three-digit NAICS categories. Information on market destinations, while generally more complete than data on product composition, is also subject to important disclosure-induced limitations.

For additional information on the Origin of Movement series, visit the Census Bureau's website at <http://www.census.gov/foreign-trade/aip/elom.html> .

NAICS CODE

Ohio Exports by NAICS

NAICS Code	Description	2009 Exports
	Total	\$34,083,697,044
336	Transportation Equipment	\$9,849,363,240
333	Machinery, Except Electrical	\$4,941,622,606
325	Chemicals	\$4,445,916,920
334	Computer And Electronic Products	\$2,367,464,359
332	Fabricated Metal Products, Nesoi	\$2,187,413,601
331	Primary Metal Manufacturing	\$1,695,383,750
335	Electrical Equipment, Appliances, And Component	\$1,594,557,609
326	Plastics And Rubber Products	\$1,374,479,706
322	Paper	\$872,688,135
311	Food And Kindred Products	\$770,071,484
339	Miscellaneous Manufactured Commodities	\$629,313,554
327	Nonmetallic Mineral Products	\$553,817,734
111	Agricultural Products	\$444,603,242
212	Minerals And Ores	\$405,588,526
990	Special Classification Provisions, Nesoi	\$402,584,408
910	Waste And Scrap	\$397,273,295
337	Furniture And Fixtures	\$213,142,757
324	Petroleum And Coal Products	\$209,418,730
321	Wood Products	\$151,675,998
323	Printing, Publishing And Similar Products	\$141,195,085
313	Textiles And Fabrics	\$95,331,654
314	Textile Mill Products	\$75,175,480
315	Apparel And Accessories	\$69,670,920
113	Forestry Products, Nesoi	\$49,558,315
112	Livestock And Livestock Products	\$46,166,759
316	Leather And Allied Products	\$36,108,987
920	Used Or Second-Hand Merchandise	\$23,460,013
312	Beverages And Tobacco Products	\$18,712,982
980	Goods Returned To Canada (Exports Only); U.S. Good	\$14,508,679
211	Oil And Gas	\$2,593,165
114	Fish, Fresh, Chilled, Or Frozen And Other Marine Products	\$2,458,410
511	Prepackaged Software	\$2,376,941