

State's exports lag nation's, report finds

Data can be 'wake-up call' among manufacturers

By **Megan Woolhouse** | GLOBE STAFF DECEMBER 03, 2014

Massachusetts exports have slowed in recent years, failing to keep pace with US export growth and raising concerns that key industries in Massachusetts are losing ground to competitors in other states, according to a [report](#).

Massachusetts exports from 2009 to 2013 grew more slowly than almost any other state's, according to the report, released Wednesday by the University of Massachusetts. As a result, Massachusetts' ranking among states in total exports fell to 16th in 2013 from 13th in 2009, falling behind Indiana, North Carolina, and Tennessee.

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And while overall US exports surged nearly 50 percent from 2009, Massachusetts exports grew less than 14 percent. If this state's exports had increased at the same rate as the nation's, they would have been \$8.5 billion higher in 2013, the report said.

Daniel Hodge, director of economic and public policy research at the Donahue Institute at UMass and one of the report's authors, said the export numbers should be a "wake-up call" that all may not be right with the Massachusetts economy. Although the report did not pinpoint a reason for the disappointing export growth and called for additional research, Hodge said the findings suggest that local industries are losing market share to rivals.

“There’s some element of competitiveness in terms of how we reach and sell to global markets where we haven’t done as well as the rest of the nation,” Hodge said.

Massachusetts manufactured goods, such as medical equipment, lost export share, the report said. Other local products, including computers and electronics, plastics, and transportation equipment, also lost their share of total US exports from 2009 to 2013, the report said.

Greg Bialecki, the state’s secretary of housing and economic development, said it is difficult to draw any firm conclusions from data and saw no cause for alarm about the state’s competitiveness. For example, he said, some medical devices not manufactured in Massachusetts may be in greater demand at a particular point in time.

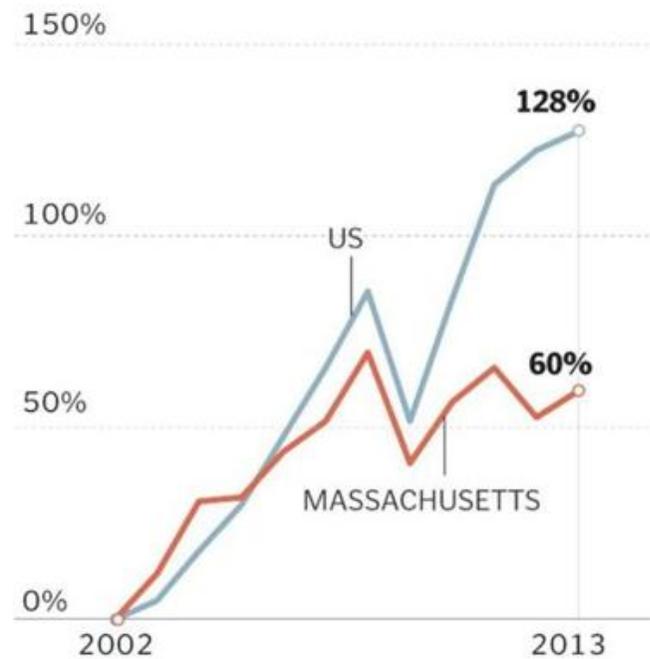
“I put a grain of salt in any one statistic,” he said. “By population, Massachusetts is 14th or 15th in the nation, so we’re punching about our weight.”

The report found that weakening economies Europe and Asia — the state’s largest foreign markets — explain some of the slowdown in Massachusetts exports, but not all. For example, chemical exports from Massachusetts to Europe declined sharply, even as overall US chemical exports to the continent grew.

“The deficit in trade cannot be explained away just because of the European slowdown,” said Hodge. “It’s also due to ... loss of US export share in industries we typically think of as strong.”

Christopher P. Geehern, spokesman for Associated Industries of Massachusetts, the state’s largest employer group, said the findings were surprising since the trade group has not heard from members about export problems. But he added, the report “certainly catches our attention.”

Export growth for US, Massachusetts since 2002



SOURCE: WiserTrade.org

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The UMass report said growth in domestic markets has apparently led to rising employment in some local industries that experienced slowing exports. The report also speculated that medical equipment, computer, and electronics companies in Massachusetts may not be expanding into Asia as quickly as western states that are closer.

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