

Introduction

This edition of Kevin's Corner uses trade data from the International Trade Administration of the US Department of Commerce to review trade between Vermont and international partners. Special attention is paid to the state's largest international trading partner, Canada.

Background

Vermont's economy produces a broad array of goods and services. While much of what is produced ends up in the hands of Vermonters, some of those goods and services become *exports*, items produced in Vermont and purchased by non-Vermonters. Vermont also *import* a similar array of goods and services, items produced elsewhere and purchased by Vermonters. The data here is in regards to *international trade*. State-to-state trade flows are not a part of the analysis, nor are those trade flows included in any of the data found below.

Exports and Imports are categorized using the North American Industry Classification System (NAICS). To borrow from the Bureau of Labor Statistics, NAICS is "a production-oriented conceptual framework to group establishments into industries based on the activity in which they are primarily engaged... In other words, establishments that do similar things in similar ways are classified together." NAICS coding uses a 6-digit hierarchy where each consecutive digit more closely refines the activity being performed. Industry groupings in this report are at the 4th digit of that hierarchy.

Of note: A non-Vermonter purchasing an item produced in Vermont is, by definition, an export. This include tourists visiting from Canada and purchasing, for example, a lift ticket or a meal. While such transactions meet the definition of export they are excluded in this analysis.

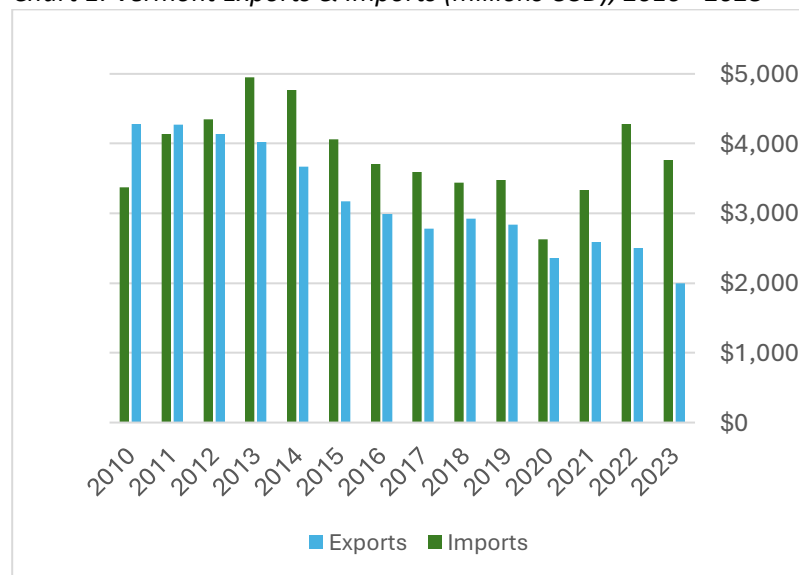
Total Trade Volumes

The state of Vermont exported \$1.99 billion worth of goods and services in 2023. This figure represents 1.14% of the state's total output of \$174.1 billion dollars. In that same year the state imported \$3.77 billion representing 2.17% of total output.

Both import and export volumes have declined in recent years. Since 2010 the highest volume of imports was \$4.95 billion in 2013. Perhaps unsurprisingly the lowest volume of imports was in 2020 at \$2.6 billion.

The highest volume of exports over the period was \$4.28 billion in 2010. The lowest volume was \$1.99 billion in 2023. Exports have declined in every year since 2010 with the exceptions of 2018 and 2021. See Chart 1.

Chart 1: Vermont Exports & Imports (millions USD), 2010 - 2023



Largest Vermont Exports and Imports

Exports

Manufactured goods (NAICS 31-33) are the largest dollar-value Vermont export by a significant margin, accounting for about 96% of all production purchased by non-US entities. Within the manufactured goods sector the largest export is Semiconductors & Other Electronic Equipment, accounting for \$579 million of the \$2 billion dollars worth of Vermont exports in 2023. The next largest export component is Miscellaneous Manufactured Commodities at \$138 million, followed by Aerospace Products & Parts (\$117 million), Navigational / Medical / Control Instruments (\$114 million), and Pulp, Paper & Paperboard Mill at \$95 million. See Table 1.

Table 1: Worldwide Exports from Vermont, 2023 (millions USD)

NAICS	Product	Value
	<i>All Merchandise</i>	<i>\$1,994</i>
3344	Semiconductors & Other Electronic Components	\$579
3399	Miscellaneous Manufactured Commodities	\$138
3364	Aerospace Products & Parts	\$117
3345	Navigational/Medical/Control Instruments	\$114
3221	Pulp, Paper & Paperboard Mills	\$95
3332	Industrial Machinery	\$75
3391	Medical Equipment & Supplies	\$61
3333	Commercial & Service Industry Machinery	\$55
3115	Dairy Products	\$54
3113	Sugar & Confectionery Products	\$54

Outside of the manufacturing sector the largest export sectors are Agriculture & Livestock (\$28 million), Oil, Gas, Minerals & Ores (\$13 million) and Waste & Scrap (\$10 million).

Imports

Similar to exports, the largest dollar-value imports into Vermont are manufactured goods (NAICS 31-33). These account for \$2.55 billion of the \$3.77 billion worth of goods imported to Vermont in 2023. The largest component of that sector is Petroleum & Coal Products with imports of \$435 million. Sugar & Confectionary Products is the next largest import with a value of \$269 million. These are followed by Apparel (\$253 million) and Semiconductors & Other Electronic Products (\$165 million). The largest import outside of Manufacturing is Oil & Gas at \$141 million dollars. See Table 2.

Table 2: Worldwide Imports to Vermont, 2023 (millions USD)

NAICS	Product	Value
	<i>All Merchandise</i>	<i>\$3,768</i>
3241	Petroleum & Coal Products	\$435
3113	Sugar & Confectionery Products	\$269
3152	Apparel	\$253
3344	Semiconductors & Other Electronic Components	\$165
2111	Oil & Gas	\$141
3329	Other Fabricated Metal Products	\$111
3399	Miscellaneous Manufactured Commodities	\$103
3364	Aerospace Products & Parts	\$101
3112	Grain & Oilseed Milling Products	\$84
3261	Plastics Products	\$66

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Largest International Trade Partners

Vermont's largest international trade partner, by a very large margin, is Canada. Of the \$2 billion Vermont exported in 2023, \$683 million (34%) was exports to Canada. The second largest recipient of Vermont goods and services was Taiwan with \$218 million. Taiwan was followed by China (\$150 million), Germany (\$112 million) and Korea (\$87 million). See Table 3.

Table 3: Largest Recipients of Vermont Exports, 2023 (millions USD)

Export recipient	Value
Canada	\$683
Taiwan	\$218
China	\$150
Germany	\$112
Korea	\$87
Mexico	\$85
United Kingdom	\$76

Vermont imported \$2.5 billion worth of Canadian goods and services in 2023. Canadian imports were responsible for almost two thirds (66.3%) of all Vermont imports that year. Imported goods and services from China totaled \$190 million followed by Germany (\$92 million), Mexico (\$91 million) and France (\$91 million). See Table 4.

Table 4: Largest importers into Vermont, 2023 (millions USD)

Export recipient	Value
Canada	\$2,500
China	\$190
Germany	\$92
Mexico	\$91
France	\$91
Vietnam	\$83
Taiwan	\$71

Trade with Canada

Our northern neighbor and largest international trade partner plays a significant role in Vermont's economy. According to the Vermont Department of Tourism and Marketing Canadian, visitors contributed about \$150 million dollars to Vermont's economy in 2023. As mentioned in the last section, they also purchased \$683 million dollars of Vermont goods and services in addition to the money spent by tourists. Meanwhile Canada sold Vermonsters \$2.5 billion worth of goods and services. The highest value of trade with Canada is manufactured goods, accounting for 93.3% of all exports and 57.4% of all imports.

Exports

The largest component of goods exported to Canada from Vermont is Semiconductors & Other Electronic Components at a total 2023 value of \$98 million. The next highest value export to Canada is Pulp Paper & Paperboard Mill at a 2023 value of \$79 million. Sugar and Confectionary Products is third highest at \$52 million followed by Dairy Products (\$46 million) and Industrial Machinery (\$38 million). See Table 5.

Table 5: Largest Exports to Canada, 2023 (millions USD)

Industry Title	NAICS	Value
Semiconductors & Other Electronic Components	3344	\$98
Pulp, Paper & Paperboard Mill	3221	\$79
Sugar & Confectionary Products	3113	\$52
Dairy Products	3115	\$46
Industrial Machinery	3332	\$38
Foods not elsewhere specified	3119	\$32
Rubber Products	3262	\$20
Resin, Synthetic Rubber & Artificial Synthetic	3252	\$17

Imports

The largest component of goods imported from Canada in 2023 was Petroleum & Coal Products at \$434 million. Sugar & Confectionary Products was the second largest (\$246 million) followed by Oil & Gas (\$141 million); Grain & Oilseed Milling Products (\$79 million) Semiconductor & Other Electronic Components (\$73 million) and Aerospace Products & Parts (\$64 million). See Table 6.

Table 6: Largest Imports from Canada, 2023 (millions USD)

Industry Title	NAICS	Value
Petroleum & Coal Products	3241	\$434
Sugar and Confectionary Products	3113	\$246
Oil & Gas	2111	\$141
Grain & Oilseed Milling Products	3112	\$79
Semiconductors & Other Electronic Components	3344	\$73
Aerospace Products & Parts	3364	\$64
Oilseeds & Grains	1111	\$51
Sawmill & Wood Products	3211	\$44
Other Agricultural products	1119	\$39
Plastics Products	3261	\$39