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New Hampshire's Export Sales on the Mend after Large Decline in 2002

Total 2003 sales of $1.93 billion just above 1999 level

After increasing at double-digit rates in 1999 and 2000, the total value of New Hampshire's export sales to the world peaked in 2001 at $2.4 billion. However, just like its high tech employment, the Granite State's high tech exports were hit hard by the 2001 recession. Partly driven by this drop in high tech employment, export sales dropped by $537.7 million from 2001 to 2002. Export sales also fluctuate due to the presence or absence of large sales contracts or deliveries.

The Granite State was able to regain some of that loss as export sales to the world increased by $68.1 million from 2002 to 2003. This gain brought the State's export sales up to $1.93 billion, about where it was in 1999.

By Industry

Not surprisingly, the vast majority of New Hampshire's export sales come from Manufacturing firms. In 2000, Manufacturing firms claimed about 94 percent of the total sales. Other types of exports from New Hampshire include fish, forestry products, agricultural products, minerals and ores, and livestock.

Roughly 42 percent of New Hampshire's total export sales to the world in 2000 were from firms in the Computer and electronic product manufacturing (NAICS 334) subsector. This was a tremendous feat for a subsector that employed 4.5 percent of the state's total covered employment in 2000. Then came the recession. From 2000 to 2003, this

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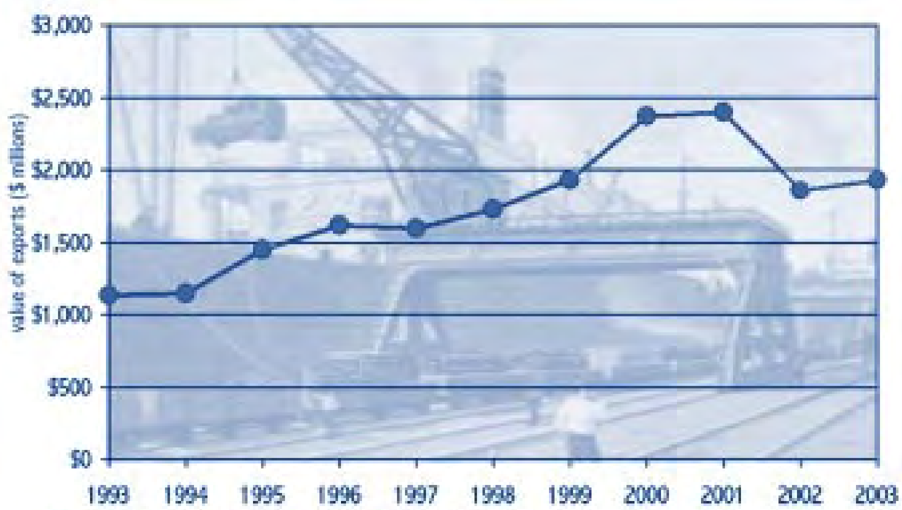
Export sales inched back up in 2003 after a large recession-related drop in 2002



Source: World Institute for Strategic Economic Research (WISER)

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subsector lost nearly one-third of its work force, about 8,700 employees. Even so, it still claimed 32 percent of the state's total export sales in 2003.

Firms in the Machinery manufacturing subsector (NAICS 333) were responsible for roughly 17 percent of the state's total export sales in 2000. This subsector made up only 1.4 percent of the state's total covered employment that year. This subsector was hit hard by the recession as well with a loss of about one-fifth of its workforce or nearly 1,600 employees from 2000 to 2003. Although firms in this subsector showed lower export sales numbers in 2003 compared to 2000, their share of the total sales actually increased to just over 20 percent of the state's total sales.

Manufactured chemicals saw its share of total export sales increase, from 4.3 percent in 2000 to 5.3 percent of the total in 2003. The Transportation equipment manufacturing and Miscellaneous manufacturing subsectors also saw their share of total export sales increase from 2000 to 2003.

Exporting Companies

According to the US Department of Commerce, nearly 2,200 firms exported merchandise from New Hampshire in 2002. This was down more than 13 percent from 2001. Comparing the other New England states, Massachusetts topped the list with almost 10,200 firms exporting merchandise from the state while Vermont came in at the bottom with only 1,100 firms exporting merchandise in 2002. Looking at all the states, California topped the list with 55,400 firms exporting merchandise and Wyoming came in last with only 307 firms exporting merchandise. Nationally, more than 223,000 firms exported merchandise in 2002.[1]

Employment related to Exports

Employment related to the export of manufactured goods includes those jobs that are either directly related or indirectly related to exports. Jobs *directly* related to exports are those employees of firms that produce the merchandise to be exported. Jobs *indirectly* related to exports include such employees as those from firms that the manufacturers buy supplies from and those working for transportation companies that deliver the merchandise from the manufacturing plant to the port of export.[2]

Roughly 37,500 jobs in New Hampshire were related to exports of manufactured goods in 2001, the latest year for which this data is available from the US Census Bureau. Manufacturing firms (based on SIC definition) claimed 53.6 percent of those jobs.

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New Hampshire Exports by NAICS, Top 10

NAICS	Description	2000	2001	2002	2003
	Total, all industries	$2,373,326,695	$2,401,032,490	$1,863,287,991	$1,931,411,721
334	Computer and electronic products	999,344,297	884,570,158	569,545,898	613,787,956
333	Machinery, except electrical	409,288,283	466,493,896	385,298,421	388,636,979
325	Chemicals	103,203,080	143,222,647	96,960,065	101,947,140
335	Electrical equipment, appliances and components	119,633,540	205,115,576	99,713,688	94,675,016
336	Transportation equipment	59,890,019	59,824,521	77,861,316	81,226,600
339	Miscellaneous manufacturing	60,370,331	67,082,577	74,610,676	81,085,597
332	Fabricated metal products	108,848,398	96,969,229	73,240,152	76,518,560
326	Plastics and rubber products	84,438,994	60,793,632	66,662,748	62,107,087
321	Wood products	42,738,560	42,637,642	42,736,291	48,570,360
327	Nonmetallic mineral products	37,972,130	50,830,318	48,814,917	46,711,637

Source: World Institute for Strategic Economic Research (WISER)

Continued from page 2

Only Rhode Island and Connecticut had a higher share of their total *employment related to Manufactured exports* in Manufacturing with 62.4 and 59.6 percent, respectively. Nationally, only 43.9 percent of the total *employment related to Manufactured exports* were in Manufacturing.

As the US dollar continues to fall, many wonder what effect this will have on exports. According to the World Institute for Strategic Economic Research (WISER), "A lower dollar makes US companies more competitive in foreign markets. At the same time, global growth is expected to increase to 4.1 percent in 2004 from 3.2 percent in 2003, increasing international buying power for US-made products."

Elisabeth Picard

[1] A Profile of US Exporting Companies, 2001-2002, US Department of Commerce, Foreign Trade Division. Accessed November 5, 2004. <www.census.gov/foreign-trade/aip/edbrel-0102.pdf >

[2] Exports from Manufacturing Establishments: 2001. July 2004. US Census Bureau. Accessed September 30, 2004 <www.census.gov/mcd/exports/ar01.pdf>

Claims Activity

Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Nov-04	Oct-04	Nov-03	Net	Percent	Net	Percent
Initial Claims	4,494	3,490	4,196	1,004	28.8%	298	7.1%
Continued Weeks	26,840	20,138	29,242	6,702	33.3%	-2,402	-8.2%

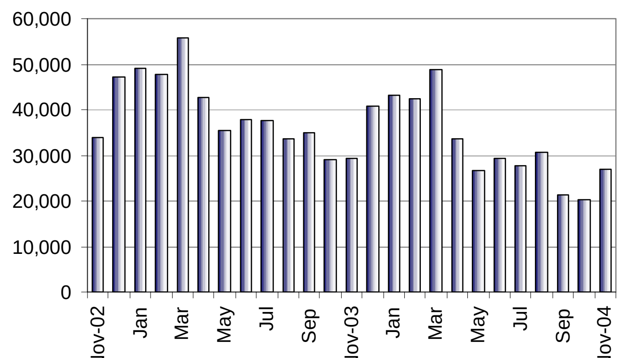
Trust Fund

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of November	$245,193,027.91
Average payment for a week of total unemployment:	$256.08
Net benefits paid:	$4,772,683.88
Net contributions received during the month:	$8,175,710.07
Interest Received:	$0.00
Reed Act Distribution:	$0.00
Reed Act Withdrawal for Administrative Costs:	$0.00

Continued Weeks Claimed

Nov. 2002 - Nov. 2004



Although the number of continued weeks claimed in November 2004 jumped by more than 6,700 over-the-month, it was still 2,400 lower than the same month in 2003.

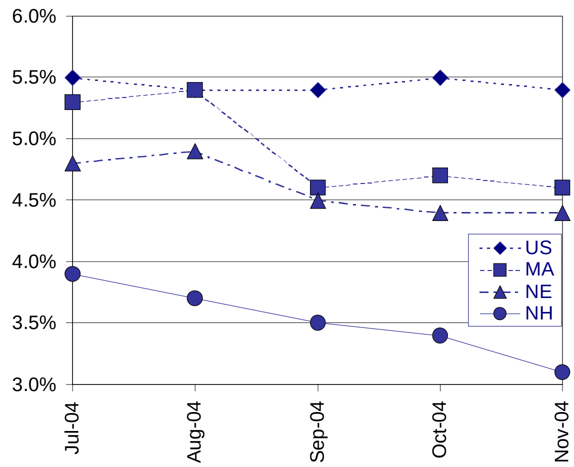
Consumer Price Index

United States
All Urban Areas (CPI-U)
(1982-1984=100)

			Change from Previous	
Nov-04	Oct-04	Nov-03	Month	Year
191.0	190.9	184.5	0.1%	3.5%

N.H. and U.S. Seasonally Adjusted Unemployment Rates

New Hampshire tied Vermont for the lowest seasonally adjusted rate in the nation in November 2004.



Unemployment Rates by Region

	preliminary Nov-04	revised Oct-04	Nov-03
United States	5.4%	5.5%	5.9%
Northeast	4.8%	5.0%	5.7%
New England	4.4%	4.4%	5.3%
Connecticut	4.7%	4.6%	5.4%
Maine	4.5%	4.6%	5.1%
Massachusetts	4.6%	4.7%	5.7%
New Hampshire	3.1%	3.4%	4.2%
Rhode Island	4.4%	4.5%	5.1%
Vermont	3.1%	3.1%	4.6%
Mid Atlantic	4.9%	5.2%	5.8%
New Jersey	4.4%	4.7%	5.5%
New York	4.9%	5.2%	6.3%
Pennsylvania	5.4%	5.5%	5.2%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Jul-04	Aug-04	Sep-04	revised Oct-04	preliminary Nov-04
New Hampshire					
Unemployment Rate	3.9%	3.7%	3.5%	3.4%	3.1%
Civilian Labor Force	731,740	730,470	731,020	730,640	730,210
Number Employed	702,940	703,730	705,110	705,990	707,270
Number Unemployed	28,800	26,740	25,910	24,650	22,940
United States (in thousands)					
Unemployment Rate	5.5%	5.4%	5.4%	5.5%	5.4%
Civilian Labor Force	147,856	147,704	147,483	147,850	148,289
Number Employed	139,660	139,681	139,480	139,778	140,261
Number Unemployed	8,196	8,022	8,003	8,072	8,027

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Supersector	Jul-04	Aug-04	Sep-04	revised Oct-04	preliminary Nov-04
Total Nonfarm	626,600	628,000	631,000	630,700	632,900
Construction	30,500	30,400	30,500	30,900	30,700
Manufacturing	78,600	78,300	78,300	77,900	77,700
Trade, Transportation, and Utilities	141,200	141,900	142,700	141,800	142,600
Leisure and Hospitality	65,700	66,400	65,600	65,300	66,300
Government	89,700	90,600	92,700	92,600	93,100

Labor Force Estimates

New Hampshire	Nov-04	Oct-04	Nov-03
Number of workers	preliminary	revised	
Total Civilian Labor Force	731,850	728,190	726,590
Employed	708,740	706,010	696,150
Unemployed	23,110	22,180	30,440
Unemployment Rate (percent of labor force)	3.2%	3.0%	4.5%

Unemployment Rates by Area

	preliminary Nov-04	revised Oct-04	Nov-03
U.S and Regional States			
United States	5.2%	5.1%	5.6%
Northeast	4.6%	4.7%	5.4%
New England	4.0%	4.1%	5.0%
Connecticut	4.2%	4.2%	4.9%
Maine	4.5%	4.2%	5.1%
Massachusetts	4.2%	4.3%	5.3%
New Hampshire	3.2%	3.0%	4.2%
Rhode Island	3.8%	4.0%	4.5%
Vermont	3.1%	2.7%	4.4%
Mid Atlantic	4.8%	4.9%	5.6%
New Jersey	4.2%	4.5%	5.3%
New York	4.8%	5.0%	6.2%
Pennsylvania	5.1%	5.1%	4.9%
Labor Market Areas			
Berlin LMA	3.5%	2.0%	5.7%
Seabrook-South Hampton NH Portion Boston MA-NH PMSA	5.8%	5.1%	6.4%
Claremont LMA	1.8%	1.7%	2.8%
Colebrook LMA	6.5%	2.2%	8.7%
Concord LMA	2.3%	2.3%	3.1%
Conway LMA	2.4%	1.9%	3.2%
NH Portion Hartford-Lebanon, VT-NH LMA	1.0%	1.0%	1.3%
NH Portion Keene-Brattleboro, NH-VT LMA	2.1%	2.0%	2.7%
Laconia LMA	2.5%	2.4%	3.5%
Lancaster LMA	2.9%	1.8%	3.7%
Salem-Derry, NH Portion Lawrence, MA-NH PMSA	5.3%	5.4%	7.1%
Littleton LMA	2.8%	1.7%	3.4%
Pelham, NH Portion Lowell, MA-NH PMSA	3.8%	4.4%	6.9%
Manchester PMSA	3.2%	3.2%	4.0%
Nashua PMSA	3.9%	3.8%	5.3%
Peterborough LMA	2.8%	2.9%	3.5%
Plymouth LMA	2.2%	1.5%	3.1%
NH Portion Portsmouth-Rochester, NH-ME PMSA	3.0%	2.9%	3.7%
Counties			
Belknap	2.5%	2.3%	3.4%
Carroll	2.3%	1.9%	3.0%
Cheshire	2.3%	2.2%	3.0%
Coos	3.9%	2.0%	5.6%
Grafton	1.7%	1.3%	2.3%
Hillsborough	3.5%	3.5%	4.6%
Merrimack	2.2%	2.2%	3.1%
Rockingham	4.3%	4.2%	5.5%
Strafford	2.9%	2.9%	3.6%
Sullivan	1.7%	1.7%	2.7%

Note: 2003 preliminary benchmark figures are pending final review by the Bureau of Labor Statistics, Washington, D.C. and are subject to change.

Local Area Unemployment Statistics (LAUS)

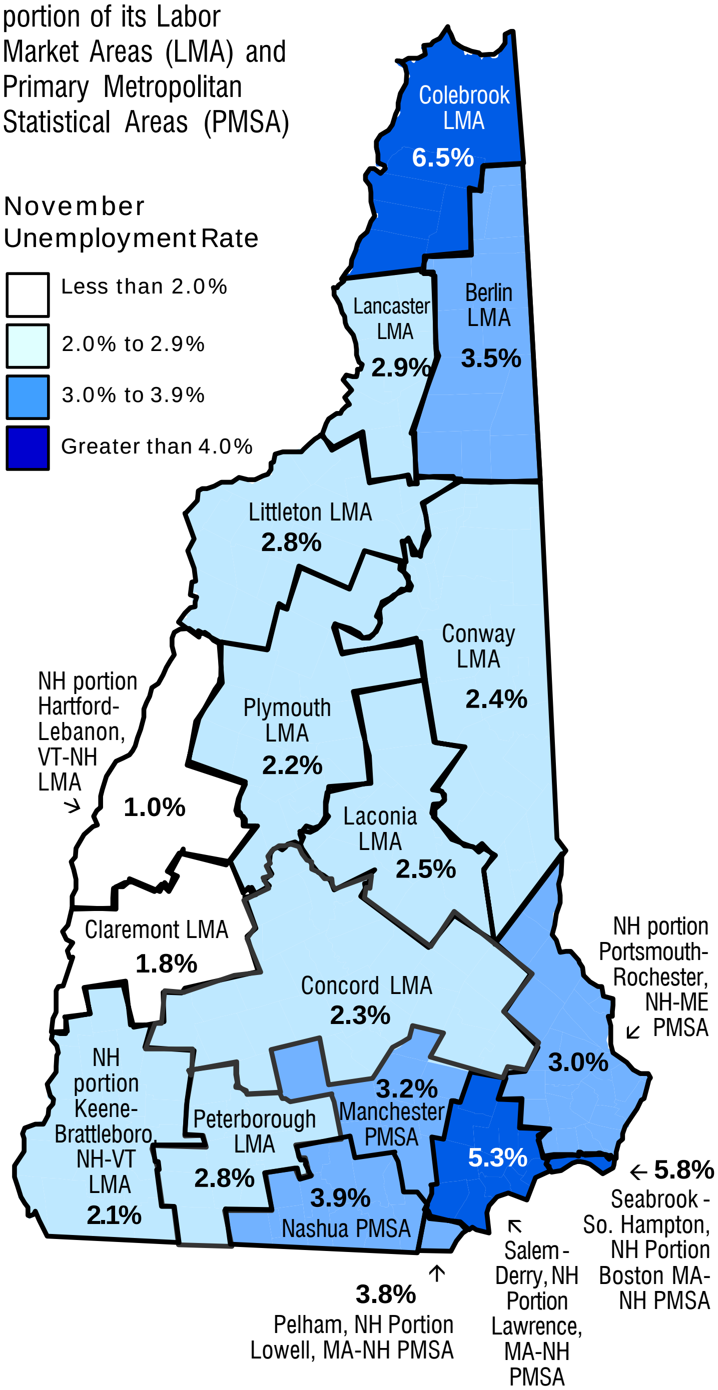
Not Seasonally Adjusted

By Place of Residence

Unemployment rates in the New Hampshire portion of its Labor Market Areas (LMA) and Primary Metropolitan Statistical Areas (PMSA)

November Unemployment Rate

- Less than 2.0%
- 2.0% to 2.9%
- 3.0% to 3.9%
- Greater than 4.0%



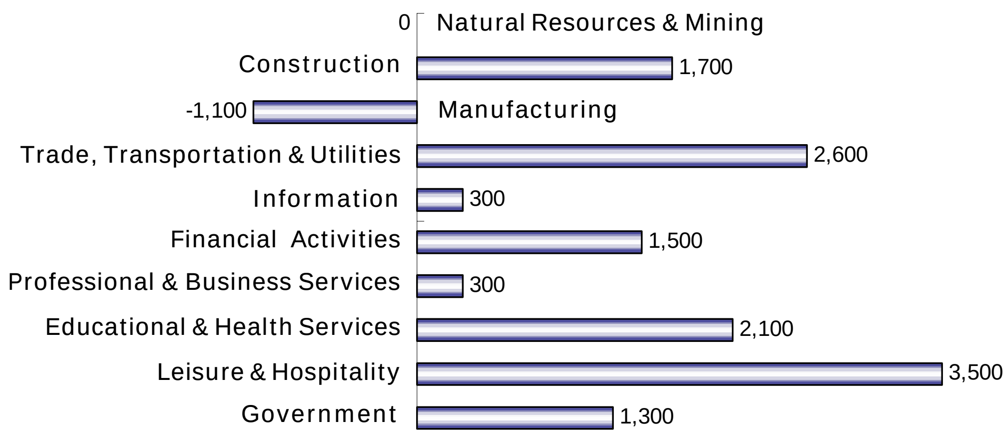
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Employers in Retail trade geared up for the holiday season with a job increase of 3,800 over-the-month.

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs			Change from previous:	
	Nov-04 preliminary)	Oct-04 (revised)	Nov-03	Month	Year
Total All Super Sectors	635,700	634,200	623,700	1,500	12,000
Private Employment Total	539,800	539,300	529,100	500	10,700
Natural Resources & Mining	1,000	1,000	1,000	0	0
Construction	31,200	31,900	29,500	-700	1,700
Manufacturing	77,700	77,900	78,800	-200	-1,100
Durable Goods	59,100	59,200	58,600	-100	500
Non-Durable Goods	18,600	18,700	20,200	-100	-1,600
Trade, Transportation and Utilities	146,200	142,600	143,600	3,600	2,600
Wholesale Trade	27,900	27,900	27,300	0	600
Retail Trade	102,100	98,300	100,500	3,800	1,600
Transportation and Utilities	16,200	16,400	15,800	-200	400
Information	11,800	11,700	11,500	100	300
Financial Activities	38,800	38,700	37,300	100	1,500
Professional and Business	54,300	54,500	54,000	-200	300
Educational and Health	96,800	96,200	94,700	600	2,100
Leisure and Hospitality	62,600	65,400	59,100	-2,800	3,500
Other Services	19,400	19,400	19,600	0	-200
Government Total	95,900	94,900	94,600	1,000	1,300

Change in Nonfarm Employment

Nov. 2003 to Nov. 2004



Monthly Analysis of Current Employment Statistics (CES) Data

For further analysis please read the *Detailed Monthly Analysis of Industry Employment Data* on our Web site at <www.nhes.state.nh.us/elmi/nonfarm.htm>

Seasonally Adjusted:
New Hampshire's economy created 2,200 jobs in November according to the preliminary seasonally adjusted estimates.

Of the publishable supersectors, leisure and hospitality (supersector 70) posted the largest gain in those estimates with a 1,000-job addition. Trade, transportation, and utilities (supersector 40) pushed the trend line upward by 800 jobs, and government (supersector 90) expanded its rolls by 500.

On the other side of the ledger, construction (supersector 20), and manufacturing (supersector 30) each reduced their respective work force by 200 jobs.

Unadjusted: Preliminary unadjusted estimates for November showed that the number of jobs in New Hampshire climbed by 1,500 jobs.

From the plus side, trade, transportation, and utilities (supersector 40) added 3,600 jobs, while government (supersector 90)

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Monthly Unadjusted Nonfarm Wage and Salary Employment by Primary Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester PMSA			Nashua PMSA			Portsmouth-Rochester NH-ME PMSA		
	Preliminary	Change from previous:		Preliminary	Change from previous:		Preliminary	Change from previous:	
	Nov-04	Month	Year	Nov-04	Month	Year	Nov-04	Month	Year
Total All Sectors	111,300	600	200	96,500	700	0	128,400	0	2,100
Private Employment Total	98,200	600	0	85,900	500	-100	102,600	-400	1,900
Natural Resources and Construction	6,600	0	300	4,400	0	200	4,800	-100	200
Manufacturing	10,900	0	-600	20,900	0	-400	12,100	-100	-100
Trade, Transportation, and Utilities	25,100	400	0	21,700	500	-500	27,200	700	1,100
Wholesale Trade	6,300	0	100	3,700	0	100	4,400	0	100
Retail Trade	15,100	400	-100	16,000	500	-600	20,500	700	1,100
Transportation and Utilities	3,700	0	0	2,000	0	0	2,300	0	-100
Information	3,100	100	0	1,900	0	0	3,000	200	100
Financial Activities	8,700	0	100	6,700	100	300	7,300	0	-300
Professional and Business	14,100	0	-100	8,500	0	400	12,600	-400	0
Educational and Health	16,700	200	0	11,400	100	0	19,000	-100	600
Leisure and Hospitality	8,700	-100	300	7,300	-200	-100	12,500	-600	100
Services	4,300	0	0	3,100	0	0	9,100	-400	200
Government Total	13,100	0	200	10,600	200	100	25,800	400	200

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov-04 prelim.	Oct-04 revised	Nov-03	Nov-04 prelim.	Oct-04 revised	Nov-03	Nov-04 prelim.	Oct-04 revised	Nov-03
New Hampshire									
All Manufacturing	$641.19	$621.69	$603.05	40.2	39.1	40.5	$15.95	$15.90	$14.89
Durable Goods	$648.08	$635.93	$621.09	41.2	40.3	41.6	$15.73	$15.78	$14.93
Nondurable Goods	$621.42	$581.20	$556.83	37.3	35.7	37.7	$16.66	$16.28	$14.77
Manchester PMSA									
All Manufacturing	$681.61	$658.57	$604.03	38.1	38.2	38.4	$17.89	$17.24	$15.73
Nashua PMSA									
All Manufacturing	$674.86	$660.89	$619.81	41.0	40.2	40.3	$16.46	$16.44	$15.38
Portsmouth-Rochester, NH-MA PMSA									
All Manufacturing	$593.64	$577.16	$591.70	38.8	37.6	38.8	$15.30	$15.35	$15.25

brought an additional 1,000 workers on board in November. Education and health services (supersector 65) increased its cadre by 600, as information (supersector 50) and financial activities (supersector 55) each provided 100 new jobs.

Natural resources and mining (supersector 10) and other services (supersector 80) maintained their employment levels at those established in October.

Seasonal events played a major role for those supersectors that experienced employment declines in November. Leisure and hospitality (supersector 70) led the downward parade with a 2,800-job reduction. Construction (supersector 20) employment fell by 700 jobs. To complete the picture, manufacturing (supersector 30) and professional and business services (supersector 60) each dropped 200 jobs.

B. G. McKay

Starting with January 2005 information, statistical areas for reporting nonfarm employment and labor force estimates will change

The U.S Office of Management and Budget (OMB) has used commuting patterns data from the 2000 U.S. Decennial Census to update statistical area definitions. Not only has the geography of the labor market areas in New Hampshire changed, but a major change in nomenclature has occurred as well. The update included defining the new core based statistical areas. Each metropolitan statistical area (MetroSA) must have a core of at least 50,000 or more inhabitants. The micropolitan statistical areas (MicroSA) have a core population of between 10,000 and 50,000. For New England, as in the past, cities, towns, and unincorporated places, because of their importance in the region, will continue to be used to build the areas. In New England the new areas will be called Metropolitan and Micropolitan NECTAs (New England City and Town Areas). The rest of the nation's statistical areas are composed of counties.

The new definitions of statistical areas will have a significant impact in New Hampshire. Instead of the 18 labor market areas that had been established with the 1990 census, there are now 23 areas, including micro and metro and small labor market areas*, contained within New Hampshire plus 4 areas that combine parts of New Hampshire with bordering states. Both the Current Economic Statistics and Local Areas Unemployment Statistics programs will introduce these new areas with the January 2005 estimates which are scheduled to be published in March 2005.

More detailed information will follow at a later date.

* Small Labor Market areas are defined independently by the Department of Labor, Bureau of Labor Statistics

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