

INTERNATIONAL COMMERCE MOBILITY

Where are we going? Are we there yet?

ICM #10: Still Swimming or Treading Water?

Supporting Minnesota
industries through
transportation



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Why ICM?



ICM Forums are a “platform” for strategic thought leaders from across a spectrum of interests in Minnesota to work on improving the transportation and supply chain options for our state and the Midwest region.

Where Have We Been Recap

- Minnesota's High-Tech Industries are heavily air-cargo dependent
- A variety of studies have demonstrated that significant amounts of air cargo are trucked to ORD for placement on international passenger flights
- MSP's airside ability to develop additional air cargo facilities and services is limited by land constraints
- Air cargo volume through MSP has been declining, while most other airports have grown air cargo.
- Minnesota's export economy appears to be in decline, which should be a great concern to public officials and businesses in the state

2025 Annual Business Benchmarks Report

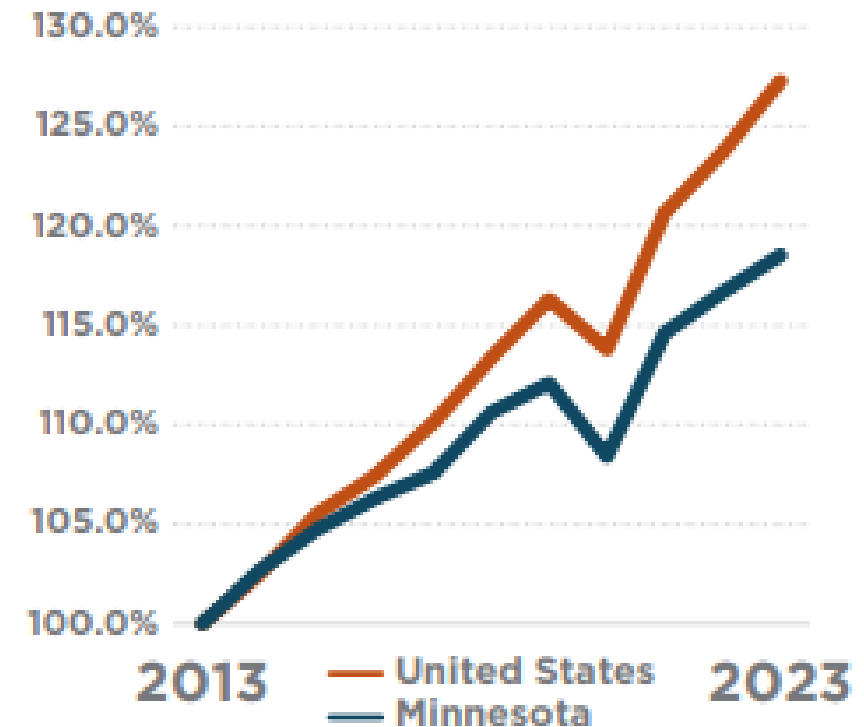
- Minnesota Chamber of Commerce

ECONOMY: STEADY BUT SLOW TO GROW

MINNESOTA RANKING: 1ST IS BEST

ANNUAL GROWTH IN STATE GDP	2023 Ranked 40th 1.6% <small>National average: 2.5%</small>	WORSE 5 SPOTS FROM 2022
ANNUAL EXPORTS	2023 Ranked 41st (-8.5%) <small>National average: (-2%)</small>	WORSE 26 SPOTS FROM 2022
ANNUAL JOB GROWTH	SEPTEMBER 2024 Ranked 30th 1.3% <small>National average: 1.5%</small>	WORSE 1 SPOT FROM 2023
ANNUAL PER CAPITA PERSONAL INCOME GROWTH	2023 Ranked 47th 3.8% <small>National average: 5.4%</small>	WORSE 30 SPOTS FROM 2022
OUTPUT PER WORKING ADULT	2023 Ranked 15th \$107,431 <small>National average: \$105,703</small>	WORSE 3 SPOTS FROM 2021
UNEMPLOYMENT RATE	SEPTEMBER 2024 Ranked 21st 3.4% <small>U.S. rate: 4.1%</small>	BETTER 2 SPOTS FROM 2023

Real GDP growth index: (2013 levels = 100%) Minnesota and United States, 2013-2023



Source: Bureau of Economic Analysis

Growth remains sluggish through first half of the decade

Minnesota's economic performance: 2020-current

	Minnesota national rank (1 st = best)	Minnesota Midwest rank (out of 12 states)
GDP growth	41 st	9 th out of 12
Job growth	37 th	8 th out of 12
Labor force growth	40 th	11 th out of 12
Unemployment	21 st lowest in November 2024	7 th out of 12
Population growth	31 st	7 th out of 12
Net domestic	41 st	10 th out of 12
Net international	20 th	5 th out of 12

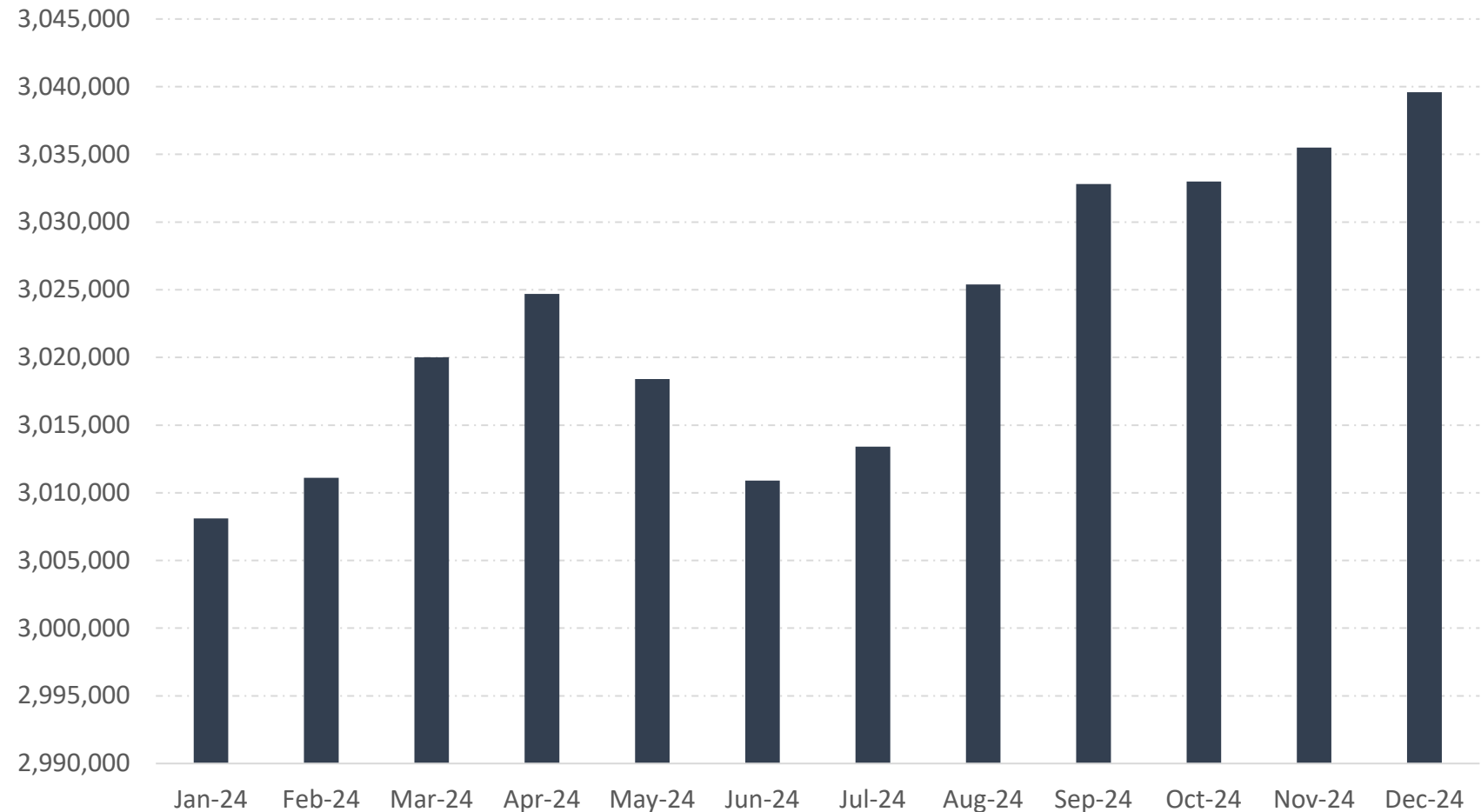
Source: GDP and per capita income are taken from the Bureau of Economic Analysis, State GDP estimates (showing real GDP in chained 2012 dollars)

Source: Job growth, labor force growth, and unemployment rates are taken from Bureau of Labor Statistics, Current Employment Statistics and Local Area Unemployment Statistics

Source: Population growth and domestic and international migration statistics are taken from the U.S. Census Population Estimates 2023 Vintage series

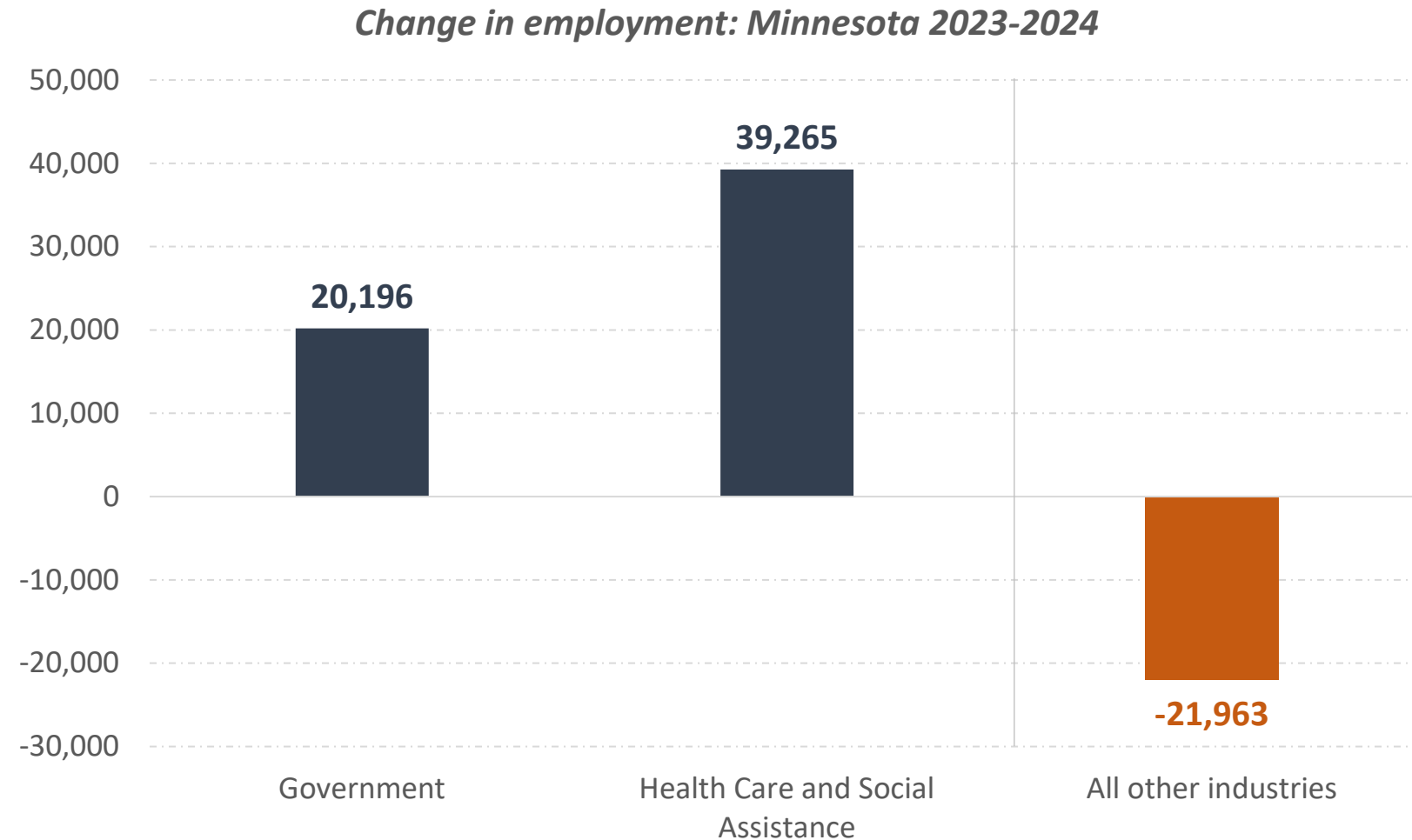
Total employment increased in Minnesota last year, with employers adding jobs in 10 of 12 months

Monthly total nonfarm employment (seasonally adjusted): Minnesota 2024



Source: Bureau of Labor Statistics, DEED

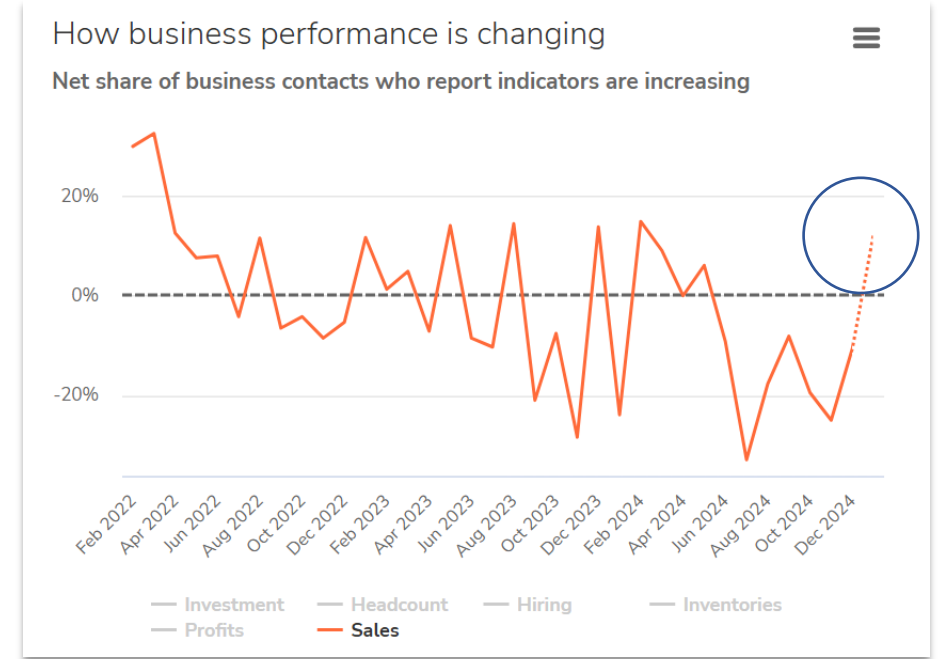
But government and health care drove gains, with most private-sector industries shedding jobs in 2024



Source: Bureau of Labor Statistics, DEED

Signs of optimism amidst challenges

- Businesses report expected growth in near-term outlook
- Economic indicators remain stable, despite headwinds
- New business starts remains elevated
- New technologies, industries pose potential for new growth



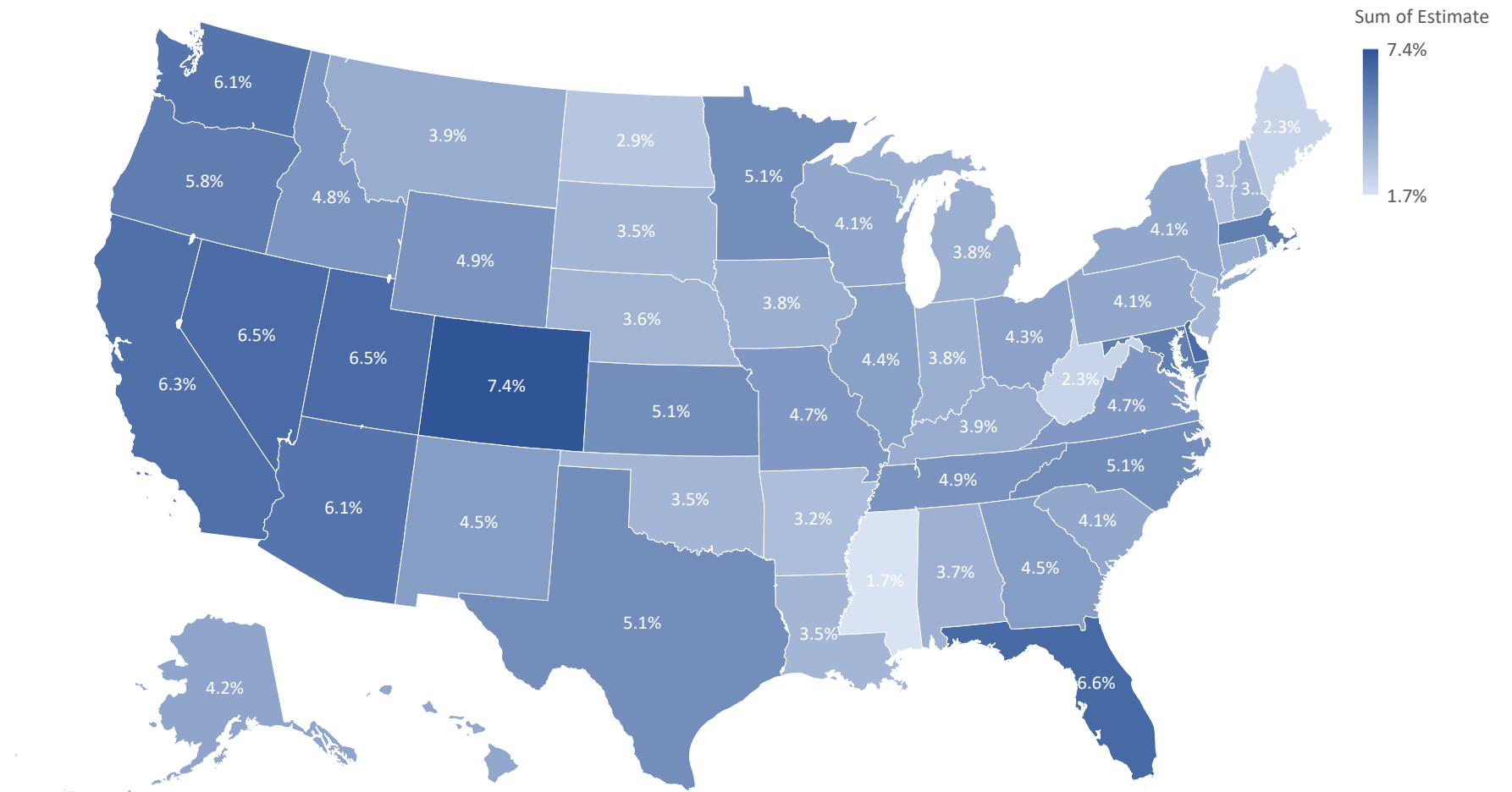
Source: image and data from Minneapolis Federal Reserve

New research examining this topic

- What is Minnesota's recent innovation track record?
- Is Minnesota generating sufficient capital investment in key sectors?
- How might AI, automation and other emerging technologies impact productivity and labor market outcomes (for better or worse)?

AI adoption is increasing but still relatively modest

% of businesses that report using AI in the past two weeks to produce products or services



So How Can ICM Contribute?

The Minnesota Multimodal Trade Portal (MMTP): An electronic platform connecting Minnesota's key export industries. i.e. A digital twin of the export economy

- Areas for research:

- Data standards, data privacy concerns
- Who is the central agency / responsible party
- What are the physical requirements
 - MSP / International Air Cargo
 - Rail yards / International container shipping
 - Ports / Green Corridor Initiatives
 - Land border crossings
- What coordination is needed between public sector agencies and private sector
- Where does the funding come from

