

GOED

Nevada International Trade Brief

General Trade Info 2019-20

Prepared by GOED International Division
9-30-2020

EXECUTIVE SUMMARY

In today's modern global economy businesses that think and work globally will thrive and key to expanding any business is finding more customers. Data shows that businesses involved in the international trade outperform those that don't. Business need to continue to reach beyond our borders and sell products and services as 95 percent of the world's customers live outside of the U.S.

Since 2003, Nevada's main **export cluster** has been in HS Code 71 (which accounts for natural stones and precious metals such as gold), but 2020 has a main **export cluster** of HS Code 85 (including electronic integrated circuits, batteries, etc.) which hasn't been Nevada's main export since 2002.

In 2019 Nevada exported nearly **\$9 billion** worth of goods and imported almost **\$11 billion** of goods.

Last year Nevada's top three export countries were **India** (\$1.5 billion – 17.2% of Nevada's total exports), **Switzerland** (\$1.3 billion – 14.6%), and **Canada** (\$1.2 billion - 12.9%), followed by Mexico, China, Germany, Japan, Hong Kong, United Kingdom and Australia.

Top three import countries were **China** (\$3.2 billion – 29% of Nevada's total imports), **Canada** (\$1 billion – 9%), and **Mexico** (\$935 million – 8.5%, followed by South Korea, Taiwan, France, Malaysia, Germany, Japan and Vietnam.

In 2019 Nevada top **single (6-digit HS) commodity** exports¹ were the following:

1. Gold (unwrought): US\$2.7 billion (29.9% of Nevada's total exports)
2. Games operated by token/coin/credit card: \$551 million (6.1%)
3. Integrated circuits (excluding processors/controllers): \$462 million (5.1%)
4. Copper ores, concentrates: \$410 million (4.6%)
5. Diamonds (unmounted): \$345 million (3.8%)
6. Miscellaneous coins: \$280 million (3.1%)
7. Integrated circuits (processors/controllers): \$278 million (3.1%)
8. Computer parts and accessories: \$258 million (2.9%)
9. Aircraft including engines, parts: \$188 million (2.1%)
10. Cell phones: \$156 million (1.7%)

The same year Nevada top **single (6-digit HS) commodity** imports were as follows:

1. Integrated circuits (excluding processors/controllers): \$668 million (6.1% of Nevada's total imports)
2. Games operated by token/coin/credit card: \$446 million (4.1%)
3. Parts of electric storage batteries: \$294 million (2.7%)
4. Integrated circuits (processors/controllers): \$286 million (2.6%)
5. Electric static converters: \$245 million (2.2%)
6. Diamonds (unmounted): \$222 million (2%)
7. Large aircraft: \$211 million (1.9%)
8. Cell phones: \$205 million (1.9%)
9. Unknit men's cotton trousers: \$201 million (1.8%)
10. Miscellaneous liquor: \$198 million (1.8%)

Based on statistics from the US Department of Commerce's Bureau of Economic Analysis (BEA), Nevada's exported products represent **6.6%** of the state's total economic output or real Gross Domestic Product in 2019.

Also based on the US Department of Commerce's data, and assuming a consistent rate of increase in jobs of 15% per year in the ratio of jobs supported by exports, it can be calculated that 55,000 jobs were created by exports in Nevada last year. International trade stimulates economic growth and it is an important factor in achieving higher living standards, providing employment and enabling customers to enjoy a greater variety of goods and services.

GENERAL BACKGROUND ON NEVADA TRADE

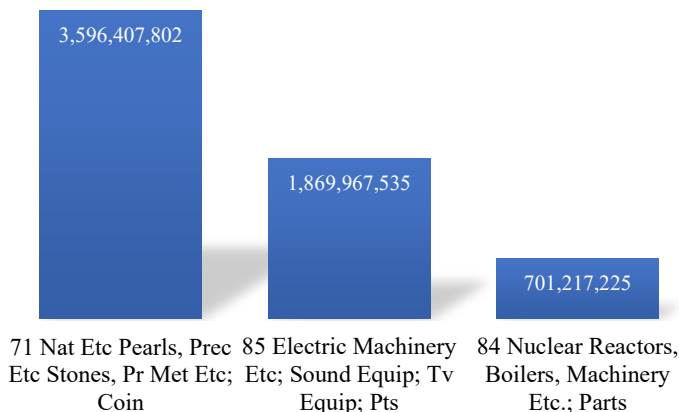
TOP GLOBAL EXPORT PRODUCTS FROM NEVADA

The total value of Nevada exports amounted to **\$8,976,142,841** in 2019. Of that, the number one export cluster from Nevada was HS code 71 “*Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin*” which accounted for **\$3,596,407,802** of the total. Of HS code 71, the number one in the category was HS code 7108 which has a definition of, “*Gold (including gold plated with platinum) unwrought or in semi manufactured forms, or in powder form*”² accounting for **\$2,701,624,158** of the almost \$3.6 billion of HS 71. The number two Nevada export cluster was from HS code 85, “*Electric Machinery Etc; Sound Equip; Tv Equip; Pts*” with a total value of **\$1,869,967,535**. Of HS code 85, HS code 8542 accounted for the largest portion under HS code 85 with a value of **\$855,907,362**. HS code 8542 is defined as, “*Electronic integrated circuits; parts thereof*”.³ The third top export cluster from Nevada has a value of approximately **\$701 million** under HS code 84, defined as “*Nuclear reactors, Boilers, Machinery Etc.; Pts*”. Of HS code 84, HS code 8473 accounts for the largest proportion of the \$701 million at **\$260,900,214**, with a definition of “*Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of headings 8470 to 8472*”⁴ which have definitions of “Calculating machines and pocket-size data recording, reproducing and displaying machines with calculating functions; accounting machines, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device; cash registers”⁵ and “Other office machines (for example, hectograph or stencil duplicating machines, addressing machines, automatic banknote dispensers, coin-sorting machines, coin-counting or wrapping machines, pencil-sharpening machines, perforating or stapling machines)”⁶

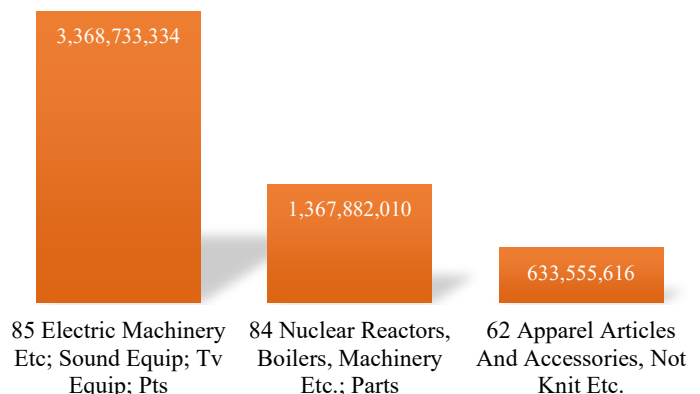
TOP GLOBAL IMPORT PRODUCTS TO NEVADA

The total value of Nevada imports amounted to **\$10,961,876,020** in 2019. Of that, the top import cluster falls under HS code 85 (defined above) and accounts for **\$3,368,733,3374** of the total amount of imports. HS code 8542 (defined above) accounts for the largest proportion of HS code 85 at approximately **\$1 billion**. The second highest valued import cluster to Nevada is HS code 84 (defined above) with a worth of **\$1,367,882,010**. HS code 8471 accounts for the largest proportion of HS code 84, defined as, “Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included”⁷ and has a value of around **\$314 million**. The third top import cluster to Nevada is HS code 62, defined as, “*Apparel Articles and Accessories, Not Knit Etc.*” was valued at **\$633,555,616** in 2019. The top code under HS code 62 was HS code 6203, valued at **\$218,258,808**, and defined as, “*Men's or boys' suits, ensembles, suit-type jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)*”.⁸

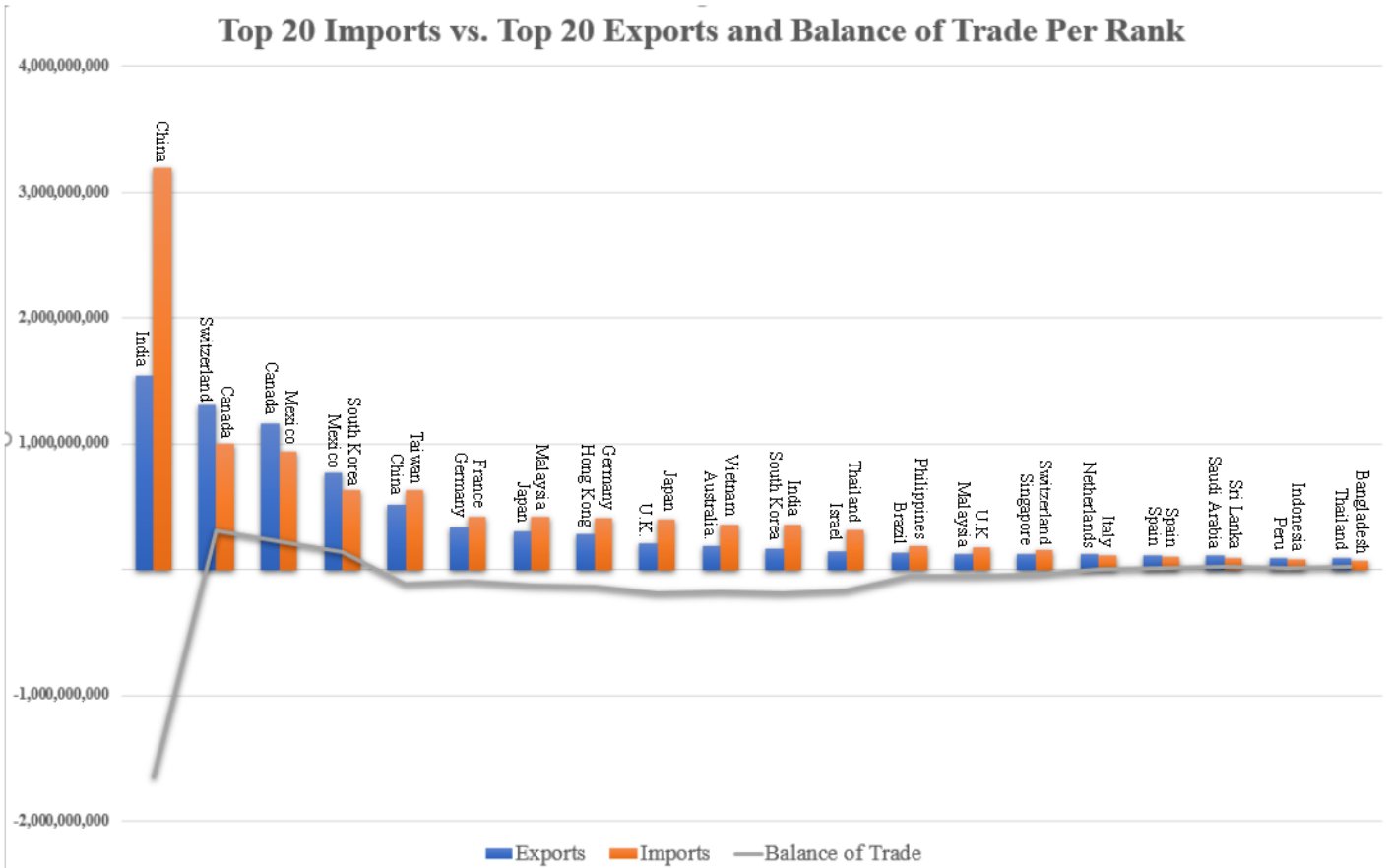
2019 TOP NV STATE EXPORT CLUSTERS



2019 TOP NV STATE IMPORT CLUSTERS



Top 20 Imports vs. Top 20 Exports and Balance of Trade Per Rank

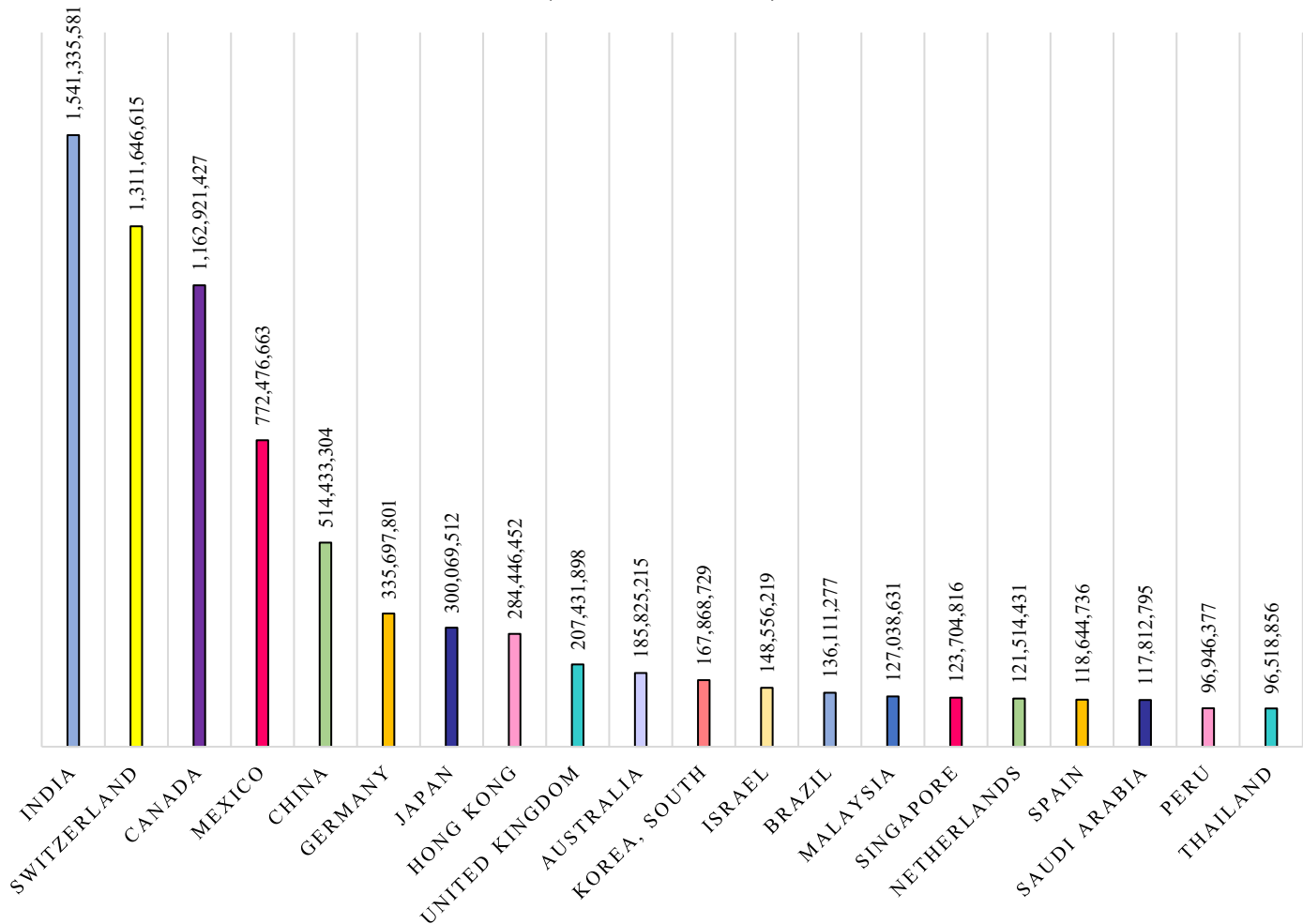


When looking at the above information, Nevada has a trade deficit amounting to almost \$2 billion in 2019.

TOP TRADE PARTNERS

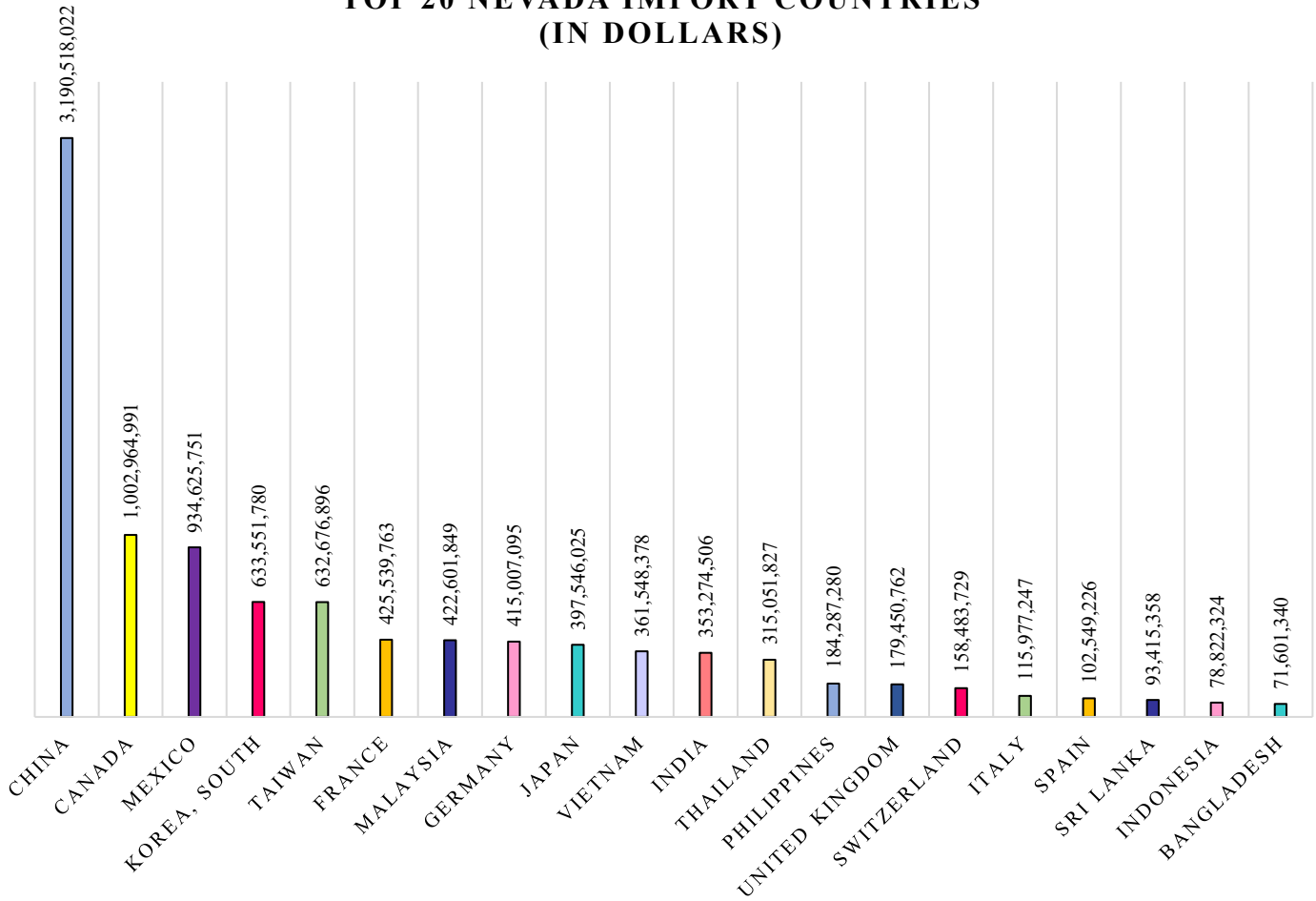
In 2019 Nevada’s top three export countries were India, Switzerland, and Canada. The total value of exports to these countries amounted to approximately **\$4 billion**. Individually, India accounted for approximately **\$1.5 billion** with the main cluster being Harmonized System (HS) code 71 with the main commodity cluster being HS 7108 “**Gold (including gold plated with platinum) unwrought or in semi manufactured forms, or in powder form**”.⁹ This code has a definition of “**Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin**”.¹⁰ Switzerland accounted for approximately **\$1.3 billion** in Nevada exports also of the export cluster HS code 71. Nevada exported approximately **\$1.2 billion** to Canada with HS 85 and HS 95 being the top two export clusters. HS 85 is defined as “**Electric Machinery Etc; Sound Equip; Tv Equip; Pts**” and HS 95 is defined as “**Toys, Games & Sport Equipment; Parts & Accessories**” such as video game consoles, arcade and parlor games.¹¹

TOP 20 NEVADA EXPORT COUNTRIES (IN DOLLARS)



Nevada’s top three import countries in 2019 were China, Canada, and Mexico. The total value of imports from these countries amounted to approximately **\$5.1 billion**. China’s total value of imports to Nevada was approximately **\$3.2 billion** with HS code 85 (defined as “**Electric Machinery Etc; Sound Equip; Tv Equip; Pts**”) being the top import cluster from China by far.¹² The value of imports from Canada amounted to approximately **\$1 billion** with HS 71 (definition above) and HS 84 (defined as “**Nuclear Reactors, Boilers, Machinery Etc.; Pts**”) being the top two import clusters.¹³ The total value of imports from Mexico amounted to just under **\$1 billion** with the top two import clusters being HS 85 (defined above) and HS 22 which is defined as **Beverages; Spirits and Vinegar**.¹⁴

TOP 20 NEVADA IMPORT COUNTRIES (IN DOLLARS)



JOBS SUPPORTED BY EXPORTS

The U.S. Department of Commerce International Trade Administration puts out reports on the number of jobs supported by exports, by state.¹⁵ This information was last updated in 2016, but using these numbers, the number of jobs supported in recent years can be estimated, assuming consistent trends. Judging by the ratio of jobs supported by exports shown in the U.S. Department of Commerce's report, a steady increase of about 15% per year can be seen for Nevada between 2012 and 2016 with the change between 2014 and 2015 being an outlier with an increase of only 2%. Using these number for 2017, 2018, and 2019 and assuming a consistent rate of increase of 15% per year in the ratio of jobs supported by exports, the following data can be calculated:

2017

Export Value:	\$12,162,304,873
Estimated ratio of jobs supported by exports:	4.601e-6
Estimated jobs supported by exports:	55,959

2018

Export Value:	\$11,093,474,660
Estimated ratio of jobs supported by exports:	5.291e-6
Estimated jobs supported by exports:	58,695

2019

Export Value: \$8,976,142,841
 Estimated ratio of jobs supported by exports: 6.085e-6
 Estimated jobs supported by exports: 54,619

NV EXPORT/IMPORT CLUSTER COMPARISON 2019 – 2020

NV Exports								
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Overall
Total	694,330,651	581,221,791	706,751,337	553,836,407	686,004,092	1,117,521,486	667,586,769	5,007,252,533
Top Commodity	71 - 7108 (Gold)	71 - 7108 (Gold)	71 - 7108 (Gold)	71 - 7108 (Gold)	71 - 7108 (Gold)	71 - 7102 (Diamonds)	71 - 7108 (Gold)	71 - 7108 (Gold)
Top Country	Switzerland	India	India	India	India	India	Switzerland	India
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	
Total	779,443,234	857,489,880	916,378,510	856,825,261	839,533,925	838,644,745	1,009,706,757	6,098,022,312
Top Commodity	71 - 7108 (Gold)	71 - 7108 (Gold)	71 - 7108 (Gold)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)
Top Country	Switzerland	India	Switzerland	China	Switzerland/China	Switzerland/Canada	Mexico	Switzerland/Mexico

NV Imports								
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Overall
Total	1,028,932,039	921,519,051	790,907,048	855,799,546	1,117,518,082	799,175,345	993,509,030	6,507,360,141
Top Commodity	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	71 - 7102 (Diamonds)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)
Top Country	China	China	China	China	China	China	China	China
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	
Total	934,343,789	878,191,514	1,312,116,586	953,373,658	999,890,870	1,274,186,264	1,067,695,307	7,419,797,988
Top Commodity	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8517 (Electric Apparatus for Line Telephony)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)	85 - 8542 (Electronic Integrated Circuits & Microassembl)
Top Country	China	China	China	China	China	China	China	China

END NOTES

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- ¹ Workman, D. (2020, April 11). Nevada's Top 10 Exports. Retrieved from <http://www.worldstopexports.com/nevadas-top-10-exports/>
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- ² U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=7108>
- ³ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=8542>
- ⁴ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=8473>
- ⁵ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=8470>
- ⁶ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=8472>
- ⁷ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=8471>
- ⁸ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=6203>
- ⁹ U.S. International Trade Commission - USITC. (n.d.). Retrieved July 29, 2020, from <https://hts.usitc.gov/?query=7108>
- ¹⁰ The Website Services & Coordination Staff, U. C. (n.d.). Census Bureau Home Page. Retrieved July 29, 2020, from <https://usatrade.census.gov/>
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- ¹¹ Ibid
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U.S. Census Bureau Import Data
- ¹³ Ibid
- ¹⁴ Ibid
- ¹⁵ Hall, J. (2017, December). Jobs Supported by State Exports, 2016 (Rep.). Retrieved July 29, 2020, from Office of Trade and Economic Analysis website:
https://legacy.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005558.pdf