

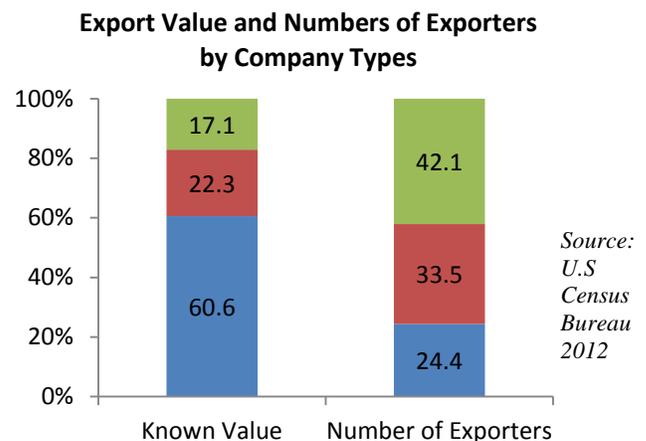
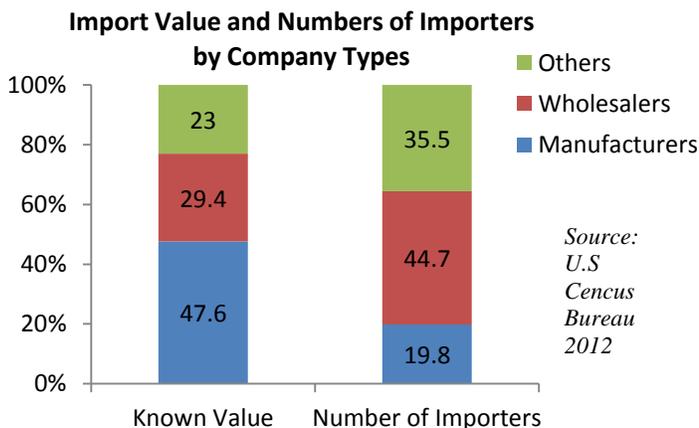
Fast Facts on the California and Japanese Economies

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If California were a country, it would stand among the ten largest economies in the world, with a 2013 state GDP of \$2.2 trillion.¹ Exports out of California were valued at \$168 billion in 2013 and represented 10.6% of total U.S. exports.² Imports into California were valued at \$380 billion in 2013 and represented 16.8% of total U.S. imports.³

California Japan, and World Markets

- In 2013, California's GDP totaled \$2.2 trillion.⁴
- California exported \$168 billion in products in 2013 as compared to \$161 billion in 2012 and \$159 billion in 2011.⁵
- California's largest export market is Mexico, where the value of exports totaled \$23.9 billion in 2013. After Mexico, California's top export markets in 2013 were: Canada (\$18.8 billion); China (\$16.3 billion); **Japan** (\$12.7 billion); South Korea (\$8.4 billion); Hong Kong (\$7.8 billion); Taiwan (\$7.5 billion); Germany (\$5.6 billion); India (\$5.2 billion); and the Netherlands (\$4.7 billion).⁶
- California's top five exports in 2013 were: Computer & Electronic Products (\$42.3 billion); Transportation Equipment (\$17.7 billion); Machinery, Except Electrical (\$15.1 billion); Miscellaneous Manufactured Commodities (\$14.6 billion); and Agricultural Products (\$13.7 billion).⁷
- In 2013 exports from California to **Japan** were down from 2012 (\$13.0 billion) and 2011 (13.1 billion). Exports from Washington, the second largest exporter to Japan, were similarly down in 2013 (\$7 billion) as compared to 2012 (\$9 billion).
- Top exports to **Japan** (4th largest trade partner): Computer and electronic products (\$2.9 billion); transportation equipment (\$1.7 billion); machinery, except electrical (\$1.1 billion); chemicals (\$1.1 billion); food manufactures (\$1.1 billion); miscellaneous manufactured commodities (\$1.0 billion); and agricultural products (\$1.1 billion).
- China is the largest source of imports into California. The 2013 value of Chinese imports was \$130 billion, followed by **Japan** (\$38.3 billion); Mexico (\$36.2 billion); and Canada (\$26.3 billion).¹¹
- As import and export data lag, it is difficult to specifically know the impact of the Japanese recession on the California economy. Given its importance to the state's overall trade activities, a broad look at the import and export data can be helpful and is displayed in the charts below.



Trade and Jobs

- There were 864,913 companies in California in 2012.¹² Of those companies, a total of 75,012 (9%) exported goods from California, 71,921 (95.9%) were small and medium-sized companies with fewer than 500 employees.¹³
- Small and medium-sized companies generated 44.6% of California's total exports of merchandise in 2012.¹⁴
- Across the U.S. small and medium-sized companies contributed to 32.6% of all export values and 97.7% of total exports in 2012.¹⁵
- In 2012, California had the highest number of small and medium-sized exporting companies at 71,921, followed by Florida with 58,976 exporting companies.¹⁶

- In 2012, merchant wholesalers of durable goods made up the highest number of small and medium-sized exporters and generated the highest values of all export industries at \$94.5 billion. Small and medium-sized companies made up of 96.6% of manufacturing exporters, 99.2% of exporting wholesalers.¹⁷

California's Trade Infrastructure

- In January 2010, President Barack Obama announced the National Export Initiative (NEI) to double the country's total exports by the end of 2014. The initiative also calls for improvements of the U.S.'s transportation and supply chain infrastructure to enable exporters to transport their goods to ports quickly and inexpensively. Exports continued to grow in the first three months of 2013 and reached a record high in the first quarter with \$554.7 billion in value.¹⁸
- Most recent datum suggests that U.S. exports are progressing. In 2012, U.S. exports hit an all-time record of \$2.2 trillion, supporting 9.8 million U.S. jobs, up 1.3 million since 2009. The employment number suggests that the NEI is ahead of schedule in meeting the President's goal in adding 2 million export-supported jobs by the end of 2014.¹⁹⁻²⁰
- The Port of Los Angeles continues to hold the top rank of two-way trade in 2012 (valued at \$284.1 billion). It is followed by JFK International Airport (\$184.3 billion) and the Port of Houston (\$176.8 billion).²² Data on California's other major ports are as follow: Long Beach (\$101 billion, ranked 9th); Los Angeles International Airport (\$86.9 billion, ranked 12th); San Francisco International Airport (\$49.3 billion, ranked 20th); Port of Oakland (\$44.3 billion); Otay Mesa Station (\$34.9 billion).²³
- One study recorded by the Government Accountability Office (GAO) shows that in 2008, commercial wait times at the top five border crossings with Mexico resulted in \$1.9 billion in direct economic loss, 4,939 jobs, and a labor income loss of \$322 million.²⁵

California and Foreign Direct Investment (FDI)

- In 2012, the U.S is the largest recipient of FDI in the world at \$166 billion.²⁸
- Japan, Canada, Australia, and 7 other EU countries contribute up to 83.5% of FDI inflows to the U.S.²⁹
- FDI contributes to: higher employment (4.7% private workforce), higher wages than national standards (30% higher than American establishments), higher competitiveness among firms and boost exports, stronger manufacturing base (15% manufacturing jobs in the nation), greater research and development (\$40 billion in 2008, \$187 billion on plants and equipment), and higher overall productivity for the economy.³⁰
- California has the highest numbers of employees of foreign affiliates numbered at 636 million.³¹
- The top 5 regions with the highest foreign owned and affiliated businesses are Gateway Cities (796 establishments), South Bay-LAX (741 establishments), San Fernando Valley (725 establishments), San Gabriel Valley (698 establishments), West Side (415 establishments).³²
- The top 5 cities with the highest concentration of foreign owned and affiliated businesses are Los Angeles (1591 establishments), Torrance (310 establishments), Long Beach (212 establishments), Santa Monica (134 establishments), Pasadena (127 establishments).³³

¹ <http://www.bea.gov/iTable/iTable.cfm?reqid=99&step=1#reqid=99&step=11&isuri=1&9993=levels&9936=-1&9935=-1&9934=5&9995=beastandard&9904=naics&9905=1&9907=2013&9990=99&9901=1200&9902=1&9903=200>; Bureau of Economic Analysis, "Gross Domestic Product by State, last updated June 11, 2014, accessed June 24, 2014

² <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; United States Census Bureau, "State Exports via California," accessed June 24, 2014, 2014

³ <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>; United States Census Bureau, "State Imports for California," accessed June 24, 2014

⁴ <http://www.bea.gov/iTable/iTable.cfm?reqid=99&step=1#reqid=99&step=11&isuri=1&9993=levels&9936=-1&9935=-1&9934=5&9995=beastandard&9904=naics&9905=1&9907=2012&9990=99&9901=1200&9902=1&9903=200>; Bureau of Economic Analysis, "Gross Domestic Product by State, last updated June 11, 2014, accessed June 24, 2014

⁵ <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; United States Census Bureau, "State Exports via California," accessed June 24, 2014

⁶ <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California," accessed June 24, 2014

⁷ <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California to the World," accessed June 24, 2014

- ⁸ <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, “2013 NAICS Total All Merchandise Exports from California to Mexico,” accessed June 24, 2014
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