

Fast Facts on California's International Economy: Highlight on South Korea

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If California were a country, it would stand as the eighth largest economy in the world, with a 2013 state GDP of \$2.2 trillion.¹ Exports out of California were valued at \$174.1 billion in 2014² and represented 10.7% of all U.S. exports.³ Imports into California were valued at \$403.5 billion in 2014 and represented 17.2 % of total U.S. imports.⁴ California was the leading state for foreign direct investment (FDI) in North America, attracting 206 FDI projects (8.65% of market share), in 2014.⁵

South Korea Market Insights

- **South Korea's** GDP in 2013 is estimated at \$1.7 trillion, up 2.8% from \$1.6 trillion in 2012.⁶ **South Korea** is considered a global leader in technology and innovation, though its economy faces challenges including a rapidly aging population, an inflexible labor market, and a heavy reliance on exports, which comprise about half (54.6%) of GDP.⁷
- **South Korea** exported \$557.3 billion worth of goods in 2013, up 1.7% from \$547.9 billion in 2012.⁸
- The top 5 commodities **South Korea** exported in 2013 include: Petroleum Oils, excl. crude oil (\$51 billion), Electronic Integrated Circuits (\$46.9 billion), Motor Cars and other Vehicles (\$27.2 billion), Liquid Crystal Devices (\$24.9 billion), and Vessels for Transport of Goods (\$14.5 billion).⁹
- **South Korea's** top 5 export destinations in 2013 include: China (\$145.9 billion), the U.S. (\$62.3 billion), Japan (\$34.7 billion), Hong Kong (\$27.8 billion), and Singapore (\$22.3 billion).¹⁰
- In 2013, **South Korea's** total imports were \$515.6 billion, down 0.8% from \$519.6 billion in 2012.¹¹ A total 1.6% of South Korea's 2013 international imports were from California.¹²
- The top 5 commodities **South Korea** imported in 2013 include: Petroleum Oils (\$99.3 billion), Natural Gas, Liquefied (\$30.7 billion), Petroleum Oils, excl. crude oil (\$28.8 billion), Electronic Integrated Circuits (\$27.7 billion), and Bituminous Coal (\$11.6 billion).¹³
- The top 5 sources of **South Korea's** imports in 2013 include: China (\$83.1 billion), Japan (\$60.0 billion), the U.S. (\$41.8 billion), Saudi Arabia (\$37.7 billion), and Qatar (\$25.9 billion).¹⁴

California and World Markets

- California exported \$174 billion in products in 2014, up 3.6% from 2013 (\$168 billion).¹⁵
- In 2014, California's largest export destination was Mexico (\$25.4 billion), followed by Canada (\$18.2 billion), China (\$16.1 billion), Japan (\$12.3 billion), **South Korea** (\$8.6 billion), Hong Kong (\$8.5 billion), Taiwan (\$7.5 billion), and Germany (\$5.4 billion).¹⁶
- California's top 5 exports in 2014 were: Computer & Electronic Products (\$42.7 billion), Transportation Equipment (\$18.7 billion), Machinery, except Electrical (\$14.9 billion), Miscellaneous Manufactured Commodities (\$14.6 billion), and Chemicals (\$14 billion).¹⁷
- California is the second largest exporter in the U.S. to Mexico and exported \$25.4 billion, (10.6%) of the total \$240 billion of U.S. exports to Mexico in 2014.¹⁸ The top 5 exports from California to Mexico were: Computer and Electronic Products (\$5.3 billion), Transportation Equipment (\$2.6 billion), Machinery, Except Electrical (\$2.2 billion), Chemicals (\$1.7 billion), and Food Manufactures (\$1.7 billion).¹⁹
- California was the second largest exporter in the U.S. to **South Korea** and exported \$8.6 billion (19.3%) of the total \$44.5 billion in U.S. exports to **South Korea** in 2014.²⁰ The top 5 exports from California to **South Korea** were: Machinery, except Electrical (\$2.0 billion), Computer and Electronic Products (\$1.3 billion), Transportation Equipment (\$1.0 billion), Food Manufacturers (\$811 million), and Agricultural Products (\$720 million).²¹

- China is the largest source of imports into California; the 2014 value of Chinese imports was \$137.7 billion. China is followed by Mexico (\$41.3 billion), Japan (\$38.3 billion), Canada (\$27.9 billion), **South Korea** (\$15.0 billion), Malaysia (\$14.1 billion), and Taiwan (\$12.1 billion). Other major sources include: Germany (\$12.1 billion), Saudi Arabia (\$10.7 billion), and Thailand (\$9.4 billion).²²
- California's top 5 imports in 2014 were: Vehicles, Spark Ignition (\$34.0 billion), Crude Oil from Petroleum (\$29.2 billion), Automatic Data Process Machines (\$17.0 billion), Motor Cars for Transportation (\$15.8 billion), and Machines for Voice, Images, or Data (\$12.6 billion).²³

California Trade and Jobs

- U.S. exports to **South Korea** supported more than 119,000 jobs across the U.S. in 2012, an increase of 28% over the last decade.²⁴ These exports supported a total of 22,818 jobs in California.²⁵ About 2.8% of all California jobs supported by exports are supported by the exports to South Korea alone.²⁶⁻²⁷
- A total of 75,012 companies exported goods from California in 2012. Of those companies, 71,921 (95.9%) were small and medium-sized enterprises with fewer than 500 employees.²⁸
- In 2013, goods exports from the state of California supported an estimated 802,274 jobs.²⁹
- Small and medium-sized companies generated 44.6% of California's total merchandise exports in 2012.³⁰
- California experienced 52% export growth to Free Trade Agreement Partners in the past 10 years.³¹
- Less than 1% of American companies export, which is a significantly lower percentage than all other developed countries. Of the U.S. companies that do export, 58% export to only one country.³²

South Korea Trade Partner

- **South Korean** investment in the U.S. increased from \$3 billion in 2001 to more than \$24 billion in 2012. U.S. investment in **South Korea** has increased from \$10 billion in 2001 to \$35 billion in 2012, supporting more than 32,000 U.S. jobs.³³
- Between January 2003-May 2013, 273 investment projects were announced by **South Korean** firms in the U.S. These projects represent a total capital investment of \$27.8 billion and created 32,370 new jobs in the U.S.³⁴
- Hyundai Motor USA expanded their North American headquarters in Fountain Valley, California, investing \$200 million in the new facility. The move also created about 700 new jobs and brought the full capacity of the headquarters to 1,400 employees by the end of 2013.³⁵
- **South Korea** was the Los Angeles Customs District's (LACD) third largest trading partner in 2013, with two-way trade totaling \$23.5 billion, and resulting in a bilateral trade deficit of \$1.2 billion for the LACD.³⁶ Trade between the LACD and **South Korea** represents almost 30% of total U.S.-**South Korea** trade.³⁷
- The renewed strength in LACD exports to **South Korea** was a result of both the Korean Trade Agreement (effected March 15, 2012),³⁸ as well as an increase in demand for the commodity inputs that **South Korea** uses for its exports. Korean exports hit a record high in 2013, mainly triggered by strong growth in demand from China; the U.S. Export growth to China was triggered by increased demand from Europe as it recovered from the recession.³⁹

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- ⁵ http://fbsites.ft.com/forms/fDi/report2014/files/The_fDi_Report_2014.pdf; The 2014 FDI Report 2012: Global Greenfield Investment Trends, accessed February 25, 2015
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- ⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html> CIA World Factbook: South Korea, accessed February 25, 2015
- ⁸ <https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html> CIA World Factbook: South Korea, accessed February 25, 2015
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- ¹⁶ <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; U.S. Census Bureau: State Exports for California, accessed February 25, 2015
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- ¹⁹ <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration: 2014 NAICS Total All Merchandise Exports from California to Mexico, accessed February 25, 2015
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