

Fast Facts on the California Trade-Based Economy

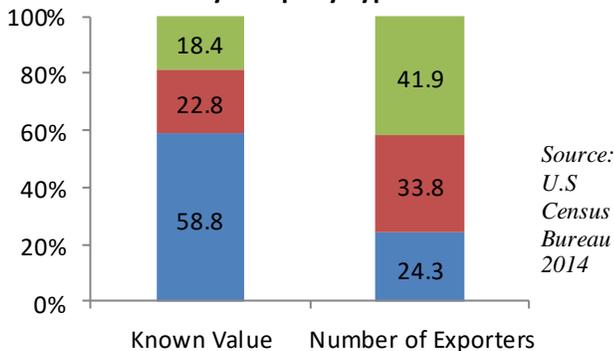
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Assemblymember Sabrina Cervantes, Chair

If California were a country, it would stand among the ten largest economies in the world, with a 2017 state GDP of \$2.7 trillion (5th largest in the world).ⁱ In 2017, California imports and exports totaled \$612.6 billion, representing 15.7% of total U.S. imports and exports.ⁱⁱ

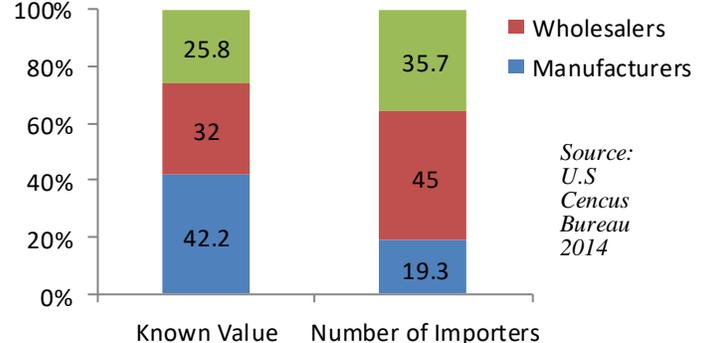
California and World Markets

- In 2017, California GDP grew from \$2.6 trillion to \$2.7 trillion with the state's economy ranking at the fifth largest in the world, as compared to national economies.ⁱⁱⁱ
- Exports out of California were valued at \$171.9 billion in 2017 and represented 11.1% of total U.S. exports and ranking the state as the 29th largest exporter in the world.^{iv} For comparison, California exported \$168 billion in 2013.^v
- California's largest export market is Mexico, where the value of exports totaled \$26.7 billion in 2017. After Mexico, California's top export markets in 2017 were: Canada (\$16.7 billion); China (\$16.4 billion); Japan (\$12.8 billion); Hong Kong (\$12.1 billion); South Korea (\$9.6 billion); Taiwan (\$6.3 billion); Germany (\$5.9 billion); the Netherlands (\$5.7 billion); and the United Kingdom (\$5.0 billion).^{vi}
- California's top six exports in 2017 were: Computer and Electronic Products (\$43.6 billion); Transportation Equipment (\$18.9 billion); Machinery, except Electrical (\$17.0 billion); Miscellaneous Manufactured Commodities (\$14.0 billion); Agricultural Products (\$13.6 billion); and Chemicals (\$13.2 billion).^{vii}
- California exported \$26.7 billion in products to Mexico in 2017. The top five exports to Mexico were: Computer and Electronic Products (\$5.8 billion); Transportation Equipment (\$3.6 billion); Machinery, except Electrical (\$2.0 billion); Chemicals (\$1.7 billion); and Electrical Equipment, Appliances, and Components (\$1.7 billion).^{viii}
- California's second largest export market is Canada, with exports totaling \$16.7 billion in 2017. The top five exports to Canada were: Computer and Electronic Products (\$5.6 billion); Agricultural Products (\$2.4 billion); Food Manufactures (\$1.3 billion); Transportation Equipment (\$1.2 billion); and Chemicals (\$886.2 million).^{ix}
- In 2017, California exported \$16.4 billion in products to China. The top five exports to China were: Computer and Electronic Products (\$4.3 billion); Transportation Equipment (\$2.5 billion); Machinery, except Electrical (\$2.0 billion); Waste and Scrap (\$1.7 billion); and Chemicals (\$1.2 billion).^x
- Imports into California were valued at \$440.7 billion in 2017 and represented 18.8% of total U.S. imports and ranking the state the 13th largest importer in the world.^{xi}

**Export Value and Numbers of Exporters
by Company Types**



**Import Value and Numbers of Importers
by Company Types**



- China is the largest source of imports into California. The 2017 value of Chinese imports was \$159.1 billion, followed by Mexico (\$46.4 billion), Japan (\$40.5 billion), and Canada (\$28.7 billion).^{xii}

Trade and Jobs

- In 2015, California's 699,539 firms recorded 13.7 million employees and payrolls totaling \$809 billion (largest payroll in the nation).^{xiii} Of those companies, a total of 73,528 (10.5%) exported goods from California, 70,350 (95.6%) were small and medium-sized companies with fewer than 500 employees.^{xiv}
- Goods exports from Texas, California, and Washington supported the most jobs in 2016 (910,000, 684,000, and 333,000 jobs respectively). Exports from Texas and California together accounted for nearly 30% of jobs supported.^{xv}
- In 2016, 92% of California export-related jobs were in manufacturing.^{xvi}
- California small and medium-sized companies contributed to 43.2% of all export value in the state and 96% of total exporters in 2015.^{xvii}

California and Foreign Direct Investment (FDI)

- In 2017, global foreign direct investment (FDI) reached \$1.4 trillion, with the U.S. continuing to receive the largest amount of FDI in the world, totaling \$259.6 billion (18.4% of global FDI).^{xviii}
- The United Kingdom, Canada, Japan, Germany, Ireland, and France contributed over 65% of FDI inflows to the U.S. The fastest growing source of FDI for the U.S. is Greece with FDI increasing by 70.7% in 2017.^{xix}
- By industry, expenditures in manufacturing were the largest sector at \$103.7 billion and accounting for 40% of total expenditures.^{xx}
- By U.S. state, the largest expenditures were in California (\$41.6 billion), Texas (\$39.7 billion), and Illinois (\$26.0 billion).^{xxi}
- France was the source of the highest number of employees by foreign owned enterprises in the U.S. with more than 47,700 workers in 2017.^{xxii}
- In 2017, employment at newly acquired, established, or expanded foreign-owned businesses in the U.S. was 554,300 employees. Current employment of acquired enterprises was 549,700.^{xxiii}
- California has the 2nd highest number of employees of foreign affiliates numbered at 55,700, comprising over 10% of total U.S. employment by foreign owned firms. The state with the largest employment by foreign-owned firms is Missouri with 63,000 employees.^{xxiv}
- Foreign owned enterprises that support the largest number of workers in California include: Japan (19.3%); the U.K. (14.5%); Switzerland (10.5%); France (10.4%); Germany (10.2%); Canada (6.25%); and the Netherlands (4.0%).^{xxv}
- The top five cities with the highest concentrations of foreign owned and affiliated businesses are Los Angeles (1591 establishments), Torrance (310 establishments), Long Beach (212 establishments), Santa Monica (134 establishments), and Pasadena (127 establishments).^{xxvi}

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- ⁱ <http://www.bea.gov/iTable/iTable.cfm?reqid=99&step=1%20-%20reqid=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#reqid=99&step=11&isuri=1&9993=levels&9936=-1&9935=-1&9934=5&9995=beastandard&9904=naics&9905=1&9907=2015&9990=99&9901=1200&9902=1&9903=200>, Bureau of Economic Analysis, “Gross Domestic Product by State”, accessed July 19, 2017
- ⁱⁱ <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html> ; United States Census Bureau, “State Imports for California,” accessed March 10, 2018 and <http://www.census.gov/foreign-trade/statistics/state/data/ca.html> ; United States Census Bureau, “State Exports via California,” accessed March 10, 2018
- ⁱⁱⁱ Department of Finance, Top Countries Ranked by its GDP, California’s World Ranking 2017, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/ accessed 7/12/18
- ^{iv} <http://tse.export.gov/TSE/TSEHome.aspx> United States Census Bureau, “State Exports via California,” accessed March 9, 2018 and the CIA Fact Book, accessed December 14, 2018.
- ^v <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2017 NAICS Total All Merchandise Exports from California,” accessed March 10, 2018
- ^{vi} <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2017 NAICS Total All Merchandise Exports from California,” accessed March 10, 2018
- ^{vii} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2017 NAICS Total All Merchandise Exports from California,” accessed March 10, 2018
- ^{viii} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2017 NAICS Total All Merchandise Exports from California to Mexico,” accessed March 10, 2018
- ^{ix} <http://tse.export.gov/TSE/ChartDisplay.aspx> ; International Trade Admin, “2017 NAICS Total All Merchandise Exports from California to Canada,” accessed March 10, 2018
- ^x <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2017 NAICS Total All Merchandise Exports from California to China,” accessed March 10, 2018
- ^{xi} <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>; United States Census Bureau, “State Imports for California,” accessed March 10, 2018 and CIA Fact Book, <https://www.cia.gov/library/publications/resources/the-world-factbook/fields/242rank.html#DO> accessed December 14, 2018.
- ^{xiii} <https://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html> United States Census Bureau, “Total U.S. Imports via California,” accessed March 10, 2018
- ^{xiii} <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>; United States Census Bureau, “2015 County Business Patterns (NAICS): California,” accessed June 24, 2016
- ^{xiv} U.S. department of Commerce, International Trade Administration, https://www.trade.gov/mas/ian/statereports/tg_ian_001955.asp; accessed December 2018 and U.S. Census.
- ^{xv} U.S. Department of Commerce, International Trade Administration <https://www.trade.gov/mas/ian/employment/index.asp> ; Accessed December 3, 2018.
- ^{xvi} U.S. Department of Commerce, International Trade Administration, https://www.trade.gov/mas/ian/statereports/tg_ian_001955.asp ; Accessed December 3, 2018.
- ¹⁷ U.S. Department of Commerce, International Trade Administration, https://www.trade.gov/mas/ian/statereports/tg_ian_001955.asp ; Accessed December 3, 2018.
- ^{xviii} U.S. Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed December 3, 2018.
- ^{xix} U.S. Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed December 3, 2018.
- ^{xx} U.S. Department of Commerce, Select USA, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
- ^{xxi} U.S. Department of Commerce, Select USA, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
- ^{xxii} U.S. Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed December 3, 2018..
- ^{xxiii} U.S. Department of Commerce, Select USA, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
- ^{xxiv} U.S. Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed December 3, 2018.
- ^{xxv} Los Angeles World Trade Center, <http://laedc.org/wp-content/uploads/2016/06/WTCLA-FDI-FINAL-6.16.pdf> "Foreign Direct Investment in Southern California" June 2016; accessed June 24, 2016.
- ^{xxvi} <http://laedc.org/reports/FDI-2009.pdf>, “Foreign Direct Investment in Los Angeles Country: Final Report and Survey Results, page 6, May 2009, accessed June 24, 2016