

Fast Facts on the California Trade-Based Economy

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If California were a country, it would stand among the ten largest economies in the world, with a 2018 state GDP of \$2.9 trillion (5th largest in the world).ⁱ In 2018, California imports and exports totaled \$620 billion in products, representing 15.7% of total U.S. imports and exports.ⁱⁱ

California and World Markets

- In 2018, California GDP grew from \$2.7 trillion to **\$2.9 trillion**, ranking the state's economy as the **5th largest in the world**, as compared to national economies. Only the economies of the U.S., China, Japan, and Germany are larger.ⁱⁱⁱ
- **Exports** out of California were valued at **\$178.4 billion** in 2018, representing 10.7% (\$1.6 trillion) of total U.S. exports and rendering the state the 28th largest exporter in the world.^{iv} ^{vvi} For comparison of growth over time, California exported \$168 billion in 2013.^{vii}
- California's **largest export market** is **Mexico**, where the value of exports totaled \$30.7 billion in 2018. After Mexico, California's top export markets in 2018 were: China and Hong Kong (\$26.2 billion), Canada (\$17.7 billion), Japan (\$13.0 billion), South Korea (\$9.9 billion), Taiwan (\$6.8 billion), Germany (\$6.5 billion), the Netherlands (\$6.4 billion), India (\$6.1 billion), and the United Kingdom (\$5.2 billion).^{viii}
- California's **top seven exports** in 2018 were: computer and electronic products (\$45.1 billion); transportation equipment (\$19.1 billion); machinery, except electrical (\$17.7 billion); miscellaneous manufactured commodities (\$15.7 billion); chemicals (\$13.7 billion), agricultural products (\$13.5 billion); and food manufactures (\$9.1 billion).^{ix}
- California exported **\$30.7 billion in products to Mexico** in 2018. The top five exports to Mexico were: computer and electronic products (\$7.9 billion); transportation equipment (\$3.7 billion); machinery, except electrical (\$2.2 billion); electrical equipment, appliances, and components (\$2.2 billion); and chemicals (\$1.9 billion).^x
- California exported **\$26.2 billion in products to China** (\$16.3 billion), including Hong Kong (\$9.9 billion). The top five exports to China (only) were: computer and electronic products (\$4.1 billion); machinery, except electrical (\$2.5 billion); transportation equipment (\$2.0 billion); chemicals (\$1.4 billion); and waste and scrap (\$1.3 billion).^{xi}
- California's **third largest export market is Canada**, with exports totaling \$17.7 billion in 2018. The top four exports to Canada were: computer and electronic products (\$5.7 billion); agricultural products (\$2.4 billion); transportation equipment (\$1.5 billion); and food manufactures (\$1.3 billion).^{xii}
- **Imports into California** were valued at \$441.1 billion in 2018, representing 17.3% of total U.S. imports and ranking the state the 13th largest importer in the world.^{xiii}
- China is the **largest source of imports to California**, valued at \$441.1 billion in 2018. Chinese imports totaled \$161.1 billion, followed by Mexico (\$44.0 billion), Japan (\$33.6 billion), and Canada (\$27.0 billion).^{xiv}
- The **largest amount of products imported** in 2018 by dollar: computer and electronic products (\$1.2 billion); transportation equipment (\$69.4 billion); electrical equipment, appliances and components (\$24.8 billion); oil and gas (\$24.4 billion); miscellaneous manufactured commodities (\$22.1 billion); apparel manufacturing products (\$22.0 billion); and machinery, except electrical (\$21.2 billion).^{xv}

Trade and Jobs

- In 2016, California's **751,982 businesses** (firms) employed 14.6 million employees and had payrolls totaling \$886 billion (largest payroll in the nation).^{xvi} Of those companies, 72,665 exported products from California in 2016 (latest year available) and 69,387 (96%) were small and medium size enterprises with fewer than 500 employees.^{xvii}
- **California goods exports** in 2016 (most recent) **supported an estimated 684 thousand jobs.**^{xviii} In 2016, **92%** of California export-related jobs were in **manufacturing.**^{xix}
- **Goods exports from Texas, California, and Washington** supported the most jobs in the nation in 2016 (910,000; 684,000; and 333,000 jobs respectively). Total exports from Texas and California combined accounted for nearly 30% of U.S. jobs supported.^{xx}

California and Foreign Direct Investment

- **Foreign Direct Investment (FDI)** contributes significantly to the U.S. economy, including **higher employment, higher wages** than national standards, **higher competitiveness among firms and boost exports**, stronger **manufacturing base**, greater **research and development**, and higher **overall productivity** for the economy.^{xxi}
- In 2017, **global foreign direct investment (FDI)** reached \$1.4 trillion, with the U.S. receiving the second largest amount of FDI in the world, totaling \$259.6 billion (18.4% of global FDI).^{xxii}
- The **largest investing country** was Canada, with expenditures of \$66.2 billion, followed by the United Kingdom (\$40.9 billion), Japan (\$34.0 billion), and France (\$23.1 billion). By region, Europe contributed 40 percent of the new investment in 2017.^{xxiii}
- By industry, expenditures in **manufacturing** were the largest sector at **\$103.7 billion**, accounting for **40%** of total expenditures in the U.S.^{xxiv}
- **By state**, the largest FDI expenditures were in **California** (\$41.6 billion), **Texas** (\$39.7 billion), and **Illinois** (\$26 billion).^{xxv}
- 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.^{xxvi}
- **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.^{xxvii}
- 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%).^{xxviii}
- The **top five cities** with the **highest concentrations of foreign-owned and affiliated businesses** are Los Angeles (1591 establishments), Torrance (310), Long Beach (212), Santa Monica (134), and Pasadena (127).^{xxix}

Source Notes

- 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, 2019
- 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 2018, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/ accessed 7/12/19
- ^{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 March 18, 2019.
- ^v CalChamber, <https://advocacy.calchamber.com/international/trade/trade-statistics/>, accessed March 18, 2019
- ^{vi} <https://www.cia.gov/library/publications/resources/the-world-factbook/fields/239rank.html#AF> CIA Factbook, accessed March 19, 2019
- ^{vii} <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2018 NAICS Total All Merchandise Exports from California,” accessed March 19, 2019
- ^{viii} <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2018 NAICS Total All Merchandise Exports from California,” accessed March 19, 2019
- ^{ix} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2018 NAICS Total All Merchandise Exports from California,” accessed March 19, 2019
- ^x <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2018 NAICS Total All Merchandise Exports from California to Mexico,” accessed March 19, 2019
- ^{xi} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2018 NAICS Total All Merchandise Exports from California to China,” accessed March 19, 2019
- ^{xii} <http://tse.export.gov/TSE/ChartDisplay.aspx>; ; International Trade Admin, “2018 NAICS Total All Merchandise Exports from California to Canada,” accessed March 19, 2019
- ^{xiii} U.S. Department of Commerce <http://tse.export.gov/tse/TSEReports.aspx?DATA=NTD&39.1183579&-77.211762&false>, <http://tse.export.gov/stateimports/TSIReports.aspx?DATA=> accessed March 19, 2019 and CIA Fact Book, <https://www.cia.gov/library/publications/resources/the-world-factbook/fields/242rank.html#DO> accessed March 19, 2019.
- ^{xiv} United States Census Bureau, “Total U.S. Imports via California,” <http://tse.export.gov/stateimports/MapDisplay.aspx> accessed March 18, 2019
- ^{xv}
- ^{xvi} United States Census Bureau, <https://www.census.gov/data/tables/2016/econ/susb/2016-susb-annual.html> accessed March 19, 2019
- ^{xvii} U.S. Trade Representative, <https://ustr.gov/countries-regions/united-states> accessed March 18, 2019.
- ^{xviii} U.S. Trade Representative, <https://ustr.gov/countries-regions/united-states> ; accessed March 18, 2019
- ^{xix} U.S. Department of Commerce, International Trade Administration, https://www.trade.gov/mas/ian/statereports/tg_ian_001955.asp ; Accessed March 18, 2019.
- ^{xx} U.S. Department of Commerce, International Trade Administration <https://www.trade.gov/mas/ian/employment/index.asp> ; Accessed March 18, 2019.
- ^{xxi} <http://www.calchamber.com/international/trade/pages/foreigndirectinvestment.aspx>, Impacts of Foreign Direct Investment in the U.S Economy, accessed July 24, 2014.
- ^{xxii} U.S. Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed December 3, 2018.
- ^{xxiii} U.S. Bureau of Economic Analysis, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017> , accessed March 18, 2019.
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- ^{xxv} U.S. Dpt of Commerce, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
- ^{xxvi} U.S. Dpt of Commerce, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
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- ^{xxviii} 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.
- ^{xxix} <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