

Fast Facts on the California Trade-Based Economy

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

If California were a country, it would stand among the ten largest economies in the world, with a 2019 state GDP of \$3.1 trillion (5th largest in the world).ⁱ In 2019, California two-way trade (imports and exports) totaled \$582.3 billion in products, representing 14% of total US imports and exports.ⁱⁱ

California and World Markets

- In 2019, California GDP grew from \$2.7 trillion to **\$3.1 trillion**, ranking the state's economy as the **4th largest in the world**, as compared to national economies. Only the economies of the US, China, and Japan are larger.ⁱⁱⁱ
- **Exports** out of California were valued at **\$174 billion** in 2019, representing 10.5% of total US exports and rendering the state the 29th 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 \$27.9 billion in 2019. After Mexico, California's top export markets in 2019 were: China and Hong Kong (\$24.2 billion); Canada (\$16.6 billion); Japan (\$11.8 billion); South Korea (\$9.1 billion); Taiwan (\$7.2 billion); Germany (\$6.4 billion); the Netherlands (\$6.4 billion); Belgium (\$6.3 billion); India (\$5.6 billion); and the United Kingdom (\$5.2 billion).^{viii}
- California's **top seven exports** in 2019 were: computer and electronic products (\$40.2 billion); transportation equipment (\$22.6 billion); machinery, except electrical (\$16.0 billion); miscellaneous manufactured commodities (\$15.4 billion); agricultural products (\$13.9 billion); chemicals (\$13.8 billion); and food manufactures (\$9.4 billion).^{ix}
- California exported **\$27.9 billion in products to Mexico** in 2019. The top six exports to Mexico were: computer and electronic products (\$5.8 billion); transportation equipment (\$3.6 billion); machinery, except electrical (\$2.1 billion); electrical equipment, appliances, and components (\$2.0 billion); plastics and rubber products (\$1.6 billion); and chemicals (\$1.6 billion).^x
- California exported **\$24.2 billion in products to China** (\$15.8 billion), including Hong Kong (\$8.4 billion). The top five exports to China (only) were: computer and electronic products (\$3.7 billion); transportation equipment (\$2.7 billion); machinery, except electrical (\$2.5 billion); chemicals (\$1.5 billion); agricultural products (\$900 million); and waste and scrap (\$800 million).^{xi}
- California's **third largest export market is Canada**, with exports totaling \$16.6 billion in 2019. The top four exports to Canada were: computer and electronic products (\$4.7 billion); agricultural products (\$2.4 billion); transportation equipment (\$1.7 billion); food manufactures (\$1.3 billion); and chemicals (\$900 million).^{xii}
- **Imports into California** were valued at \$408.2 billion in 2019, representing 16.3% of total US imports and ranking the state the 15th largest importer in the world.^{xiii}
- China is the **largest source of imports to California**, valued at \$129.2 billion from Mainland China and \$811 million from Hong Kong in 2019. Imports from Mexico ranked second (\$46.6 billion), Canada third (\$26.9 billion); and Japan fourth (\$25.0 billion).^{xiv}
- The **largest amount of products imported** in 2019 by dollar: computer and electronic products (\$107.6 billion and 26.4%); transportation equipment (\$61.7 billion and 15.1%); electrical equipment, appliances and components (\$23.9 billion and 5.9%); miscellaneous manufactured commodities (\$22.3 billion and 5.5%); oil and gas (\$20.3 billion); and machinery, except electrical (\$20.0 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}
- In 2018, more than **71,300 firms** exported goods from California. Of these, 68,022, or **95.4%, were small and medium size enterprises with fewer than 500 employees**, which generated 42.1% of California's \$165.6 billion in total exports in 2018.
- **California goods exports** in 2016 (most recent) **supported an estimated 684,000 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 US jobs supported.^{xx}

California and Foreign Direct Investment

- **Foreign Direct Investment (FDI)** contributes significantly to the US economy, including **higher employment, higher wages** than national standards, **higher competitiveness among firms and a boost to exports**, stronger **manufacturing base**, greater **research and development**, and higher **overall productivity** for the economy.^{xxi}
- In 2019, **global FDI** reached **\$1.39 trillion**, with the US receiving the largest amount of FDI in the world, totaling **\$251 billion** (18% of global FDI).^{xxii}
- The **largest investing country in the US** was **the United Kingdom**, with expenditures of **\$40.4 billion**, followed by **Canada (\$35.7 billion)**, **Germany (\$21.6 billion)**, and **Japan (\$17.8%)**. **By region**, Europe contributed over **50% of new foreign investment** into the US in 2019.^{xxiii}
- Expenditures by **foreign direct investors to acquire, establish, or expand US businesses** totaled **\$194.7 billion** (preliminary) in 2019. Expenditures were down 37.7% from 2018.^{xxiv}
- **By industry**, expenditures in **manufacturing** were the largest sector receiving FDI in 2019 at **\$78.2 billion**, accounting for **40.2%** of total expenditures in the US.^{xxv}
- **By state in 2019**, the largest FDI expenditures were in **California** (\$22.7 billion), **Pennsylvania** (\$21.1 billion), and **Texas** (\$20.9 billion).^{xxvi} This is down from 2017 where FDI expenditures in **California** were (\$41.6 billion), **Texas** (\$39.7 billion), and **Illinois** (\$26 billion).^{xxvii}
- In 2019, foreign-owned businesses acquired 190,651 businesses in the US, including 22,347 businesses in California. In addition, 2,503 businesses were established in the US, including 322 in California, and 1,507 businesses were expanded in the US by foreign-owned firms, including 68 in California.^{xxviii}
- **US employment** at newly acquired, established, or expanded **foreign-owned businesses** in 2019 was 210,600 employees. This is down from 554,300 US employees in 2017. Minnesota had the highest employment at foreign-owned businesses in 2019 with 39,800 employees, followed by Texas (29,000) and California (21,800).^{xxix}
- **Majority-owned US affiliates of foreign multinational enterprises (MOUSAs)** employed **7.4 million workers** in the US in 2017, a 2.8% increase from 2016.^{xxx} MOUSAs accounted for **5.8% of total private-industry employment** in the US.^{xxxi}

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 October 2020 and <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; United States Census Bureau, “State Exports via California,” accessed October 2020
- 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: “2019 NAICS Total All Merchandise Exports from California,” accessed March 8, 2020
- ^{viii} <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2019 NAICS Total All Merchandise Exports from California,” accessed March 8, 2020
- ^{ix} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2019 NAICS Total All Merchandise Exports from California,” accessed March 8, 2020
- ^x <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2019 NAICS Total All Merchandise Exports from California to Mexico,” accessed March 8, 2020
- ^{xi} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2019 NAICS Total All Merchandise Exports from California to China,” accessed March 8, 2020
- ^{xii} <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Admin, “2019 NAICS Total All Merchandise Exports from California to Canada,” accessed March 8, 2020
- ^{xiii} US 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} US Census Bureau, <http://tse.export.gov/stateimports/ChartDisplay.aspx> accessed October 2020
- ^{xv} US Census Bureau, <http://tse.export.gov/stateimports/ChartDisplay.aspx> accessed October 2020
- ^{xvi} United States Census Bureau, <https://www.census.gov/data/tables/2016/econ/susb/2016-susb-annual.html> accessed October 2020
- ^{xvii} US Trade Representative, <https://ustr.gov/countries-regions/united-states> accessed October 2020.
- ^{xviii} US Trade Representative, <https://ustr.gov/countries-regions/united-states>; accessed October 2020
- ^{xix} US Department of Commerce, International Trade Administration, https://www.trade.gov/mas/ian/statereports/tg_ian_001955.asp; Accessed March 18, 2019.
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- ^{xxi} <http://www.calchamber.com/international/trade/pages/foreigndirectinvestment.aspx>, Impacts of Foreign Direct Investment in the US Economy, accessed July 24, 2014.
- ^{xxii} US Department of Commerce, Select USA, <https://www.selectusa.gov/FDI-in-the-US>; accessed October 2020.
- ^{xxiii} US Bureau of Economic Analysis, <https://www.bea.gov/news/2020/new-foreign-direct-investment-united-states-2019>, accessed October 2020.
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- ^{xxvii} US Dpt of Commerce, <https://www.bea.gov/news/2018/new-foreign-direct-investment-united-states-2017>; accessed December 3, 2018.
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- ^{xxx} US Dpt of Commerce, <https://www.bea.gov/data/intl-trade-investment/activities-us-affiliates-foreign-mnes>, accessed 1.3.2020
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