



China and Los Angeles County: Growing Together



LAEDC International Trade Outlook
June 5, 2014

Ferdinando “Nando” Guerra

International Economist, Kyser Center for Economic Research
Los Angeles County Economic Development Corporation (LAEDC)

China & Los Angeles County

Overview of the Report

- Key Findings
- Executive Summary
- Introduction
- Historical Ties
- Personal Ties
- The Chinese Economy
- Trade Ties
- Investment Ties
- Business Ties
- The Future of the Relationship
- Conclusions



GROWING TOGETHER
**China and
Los Angeles County**



WORLD TRADE CENTER®
LOS ANGELES | LONG BEACH



China and the U.S.

“No Other Relationship Will Be As Critical as the American-Sino Relationship in the 21st Century”

-- President Barack Obama

China and Los Angeles County

“Los Angeles is the Epicenter of the U.S.-China Relationship”

-- President Xi Jinping

Key Economic Findings

- Investment from China has **doubled** in the last 5 years
- Tourism has nearly **quadrupled** over the past 4 years
- LACD handles nearly **45% of trade** between China-U.S.
- China accounts for nearly **60% of all activity** at the ports
- LACD Exports have increased by **over 50%** since 2009

Los Angeles County

- Largest Chinese Population
- Largest Number of Chinese Students
- Largest Number of Chinese Companies
- Largest Recipient of Chinese Tourists
- Largest Recipient of Chinese Investment

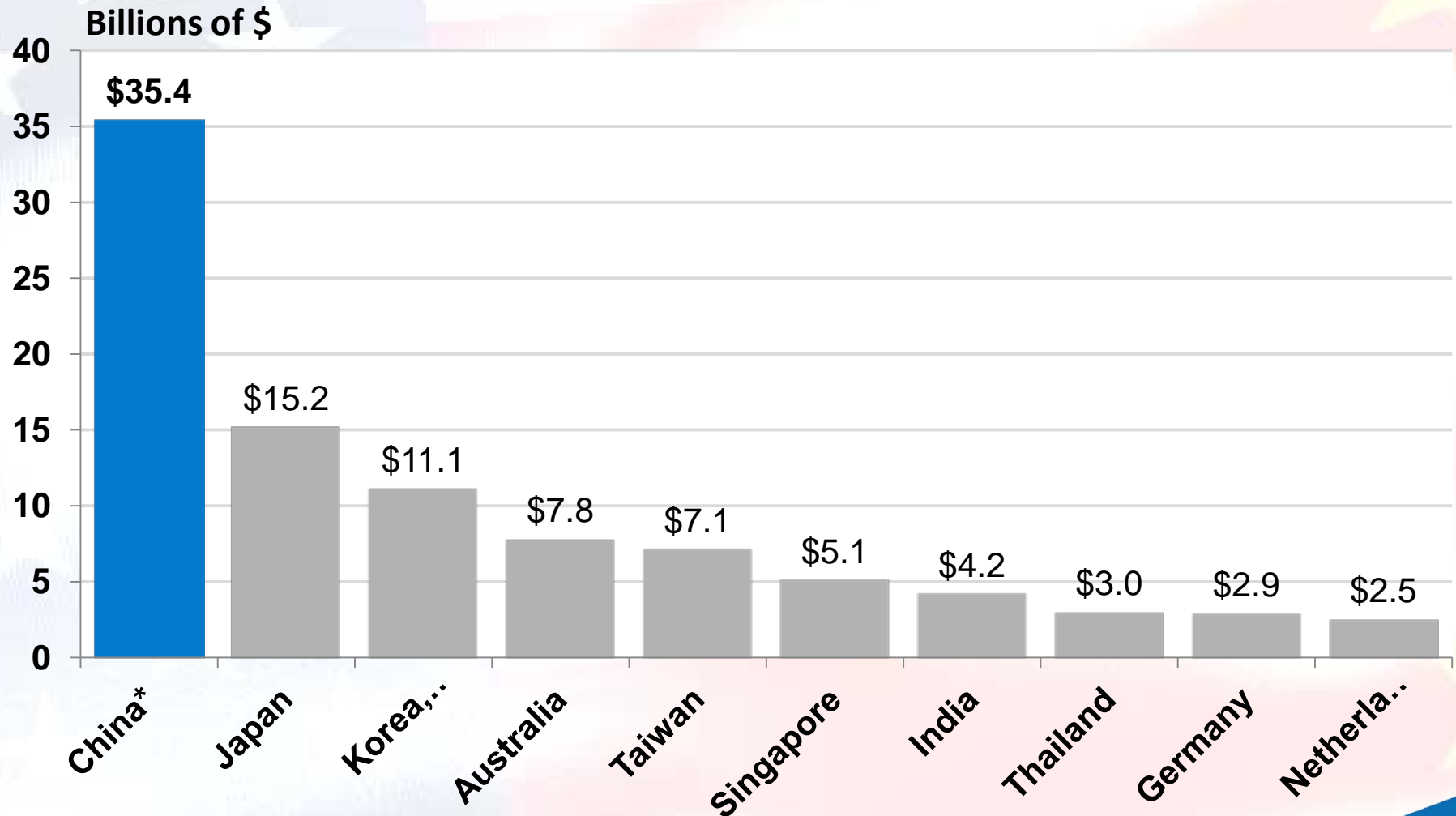
Chinese Investment into the U.S., CA and L.A. Area

- Investment into the U.S. was \$14 billion in 2013
 - Private Chinese companies are leading the way
 - Accounted for more than 70,000 full-time jobs
- California has attracted about 1/3 of U.S. investment
- L.A. Metro Area is the top destination in California

Chinese Investment into L.A. County

- Investment has increased from 127 establishments to 254 in the past 5 years
 - China is now approaching the top 5 ranking
 - Over 40 cities have received investment
- Largest investment includes the Greenland Group's \$1 billion property development near L.A. Live – The Metropolis Project
- Upwards of \$36 billion at stake for the L.A. Metro Area by 2020

2013 LACD Top 10 Export Destinations

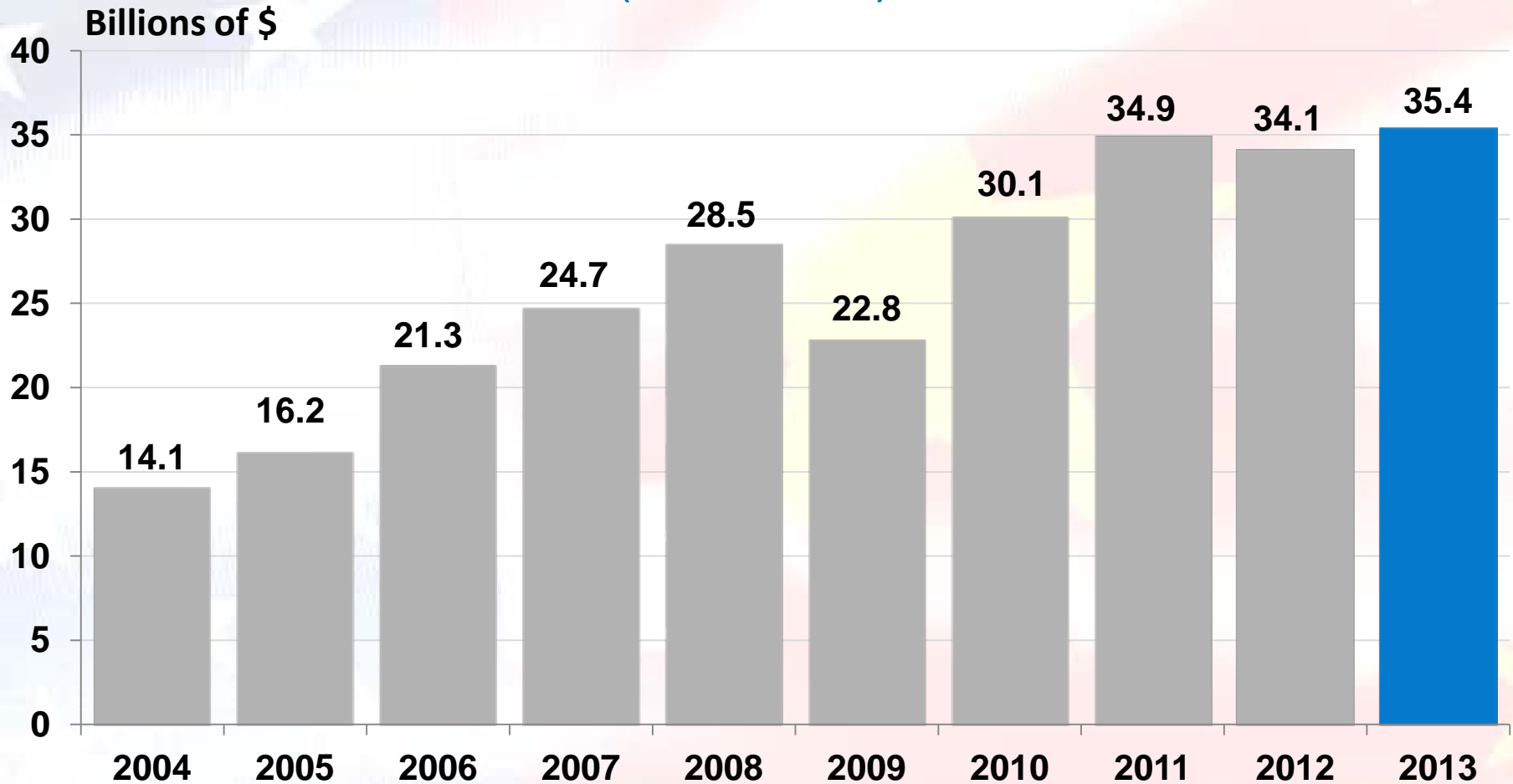


*China includes the Mainland, Hong Kong and Macau

Source: USA Trade Online

LACD Exports to China*

(2004-2013)



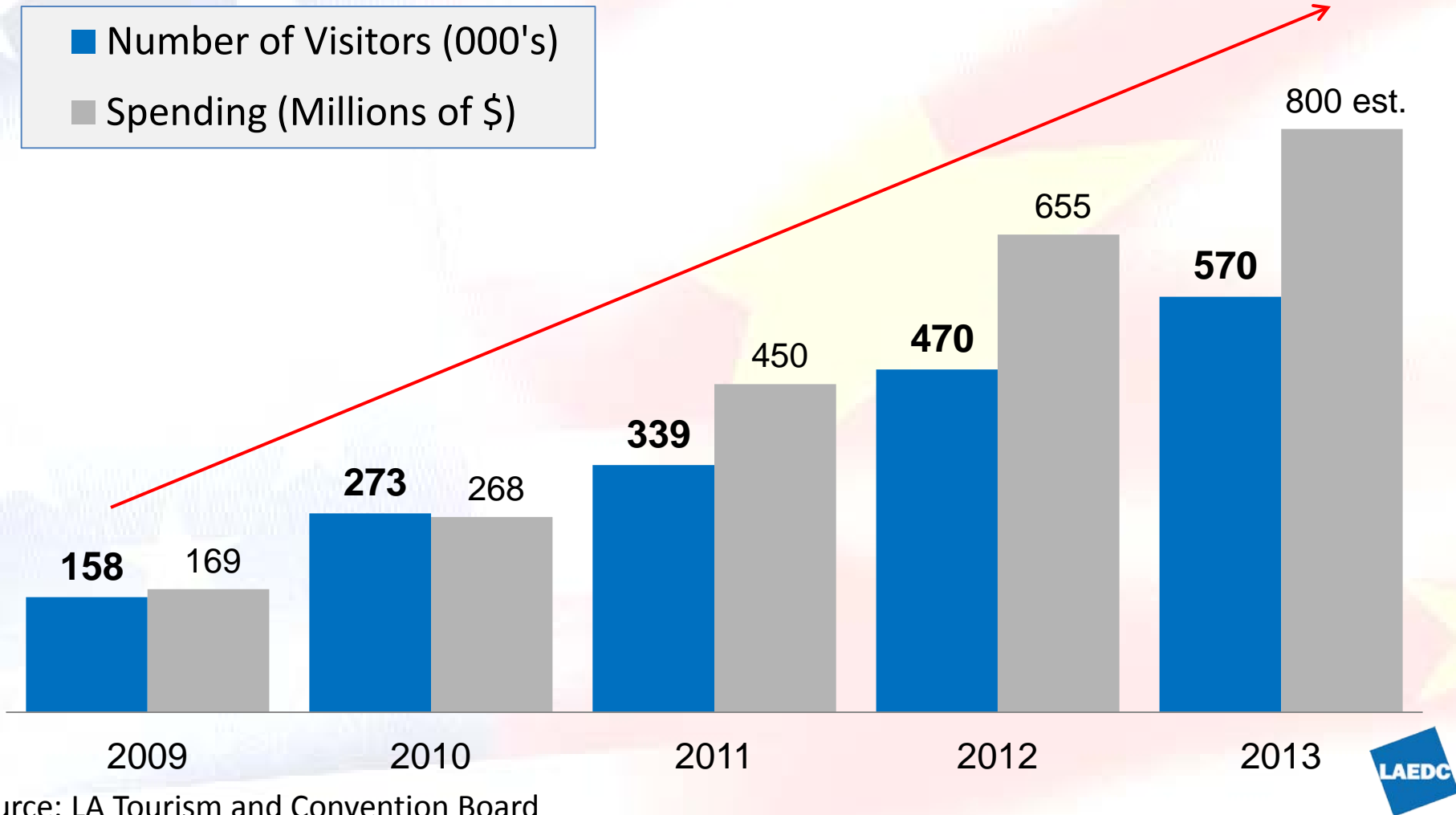
**Includes the Mainland, Hong Kong and Macau*

Source: USA Trade Online, US Department of Commerce

Top 5 L.A. Metro Area Exports to China

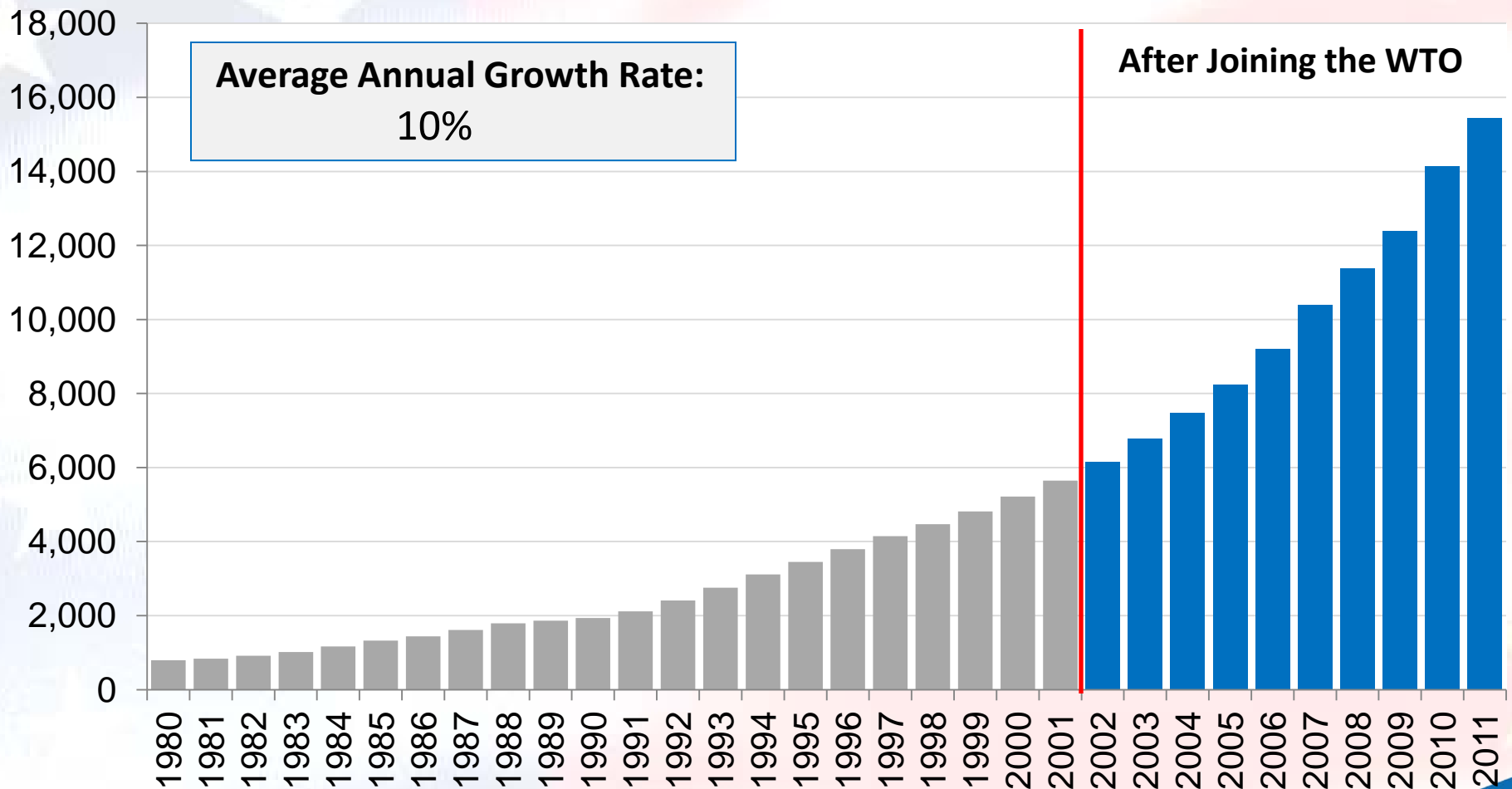
1. Computers and Electronics
(Precision Instruments and Semiconductors)
2. Transportation Equipment (Aircraft Products and Parts)
3. Chemicals (Pharma/Medicine)
4. Royalties (Motion Pictures)
5. Tourism

Chinese Tourists and Spending



China's Real GDP Growth

Billions of CNY/RMB in 1990 Prices

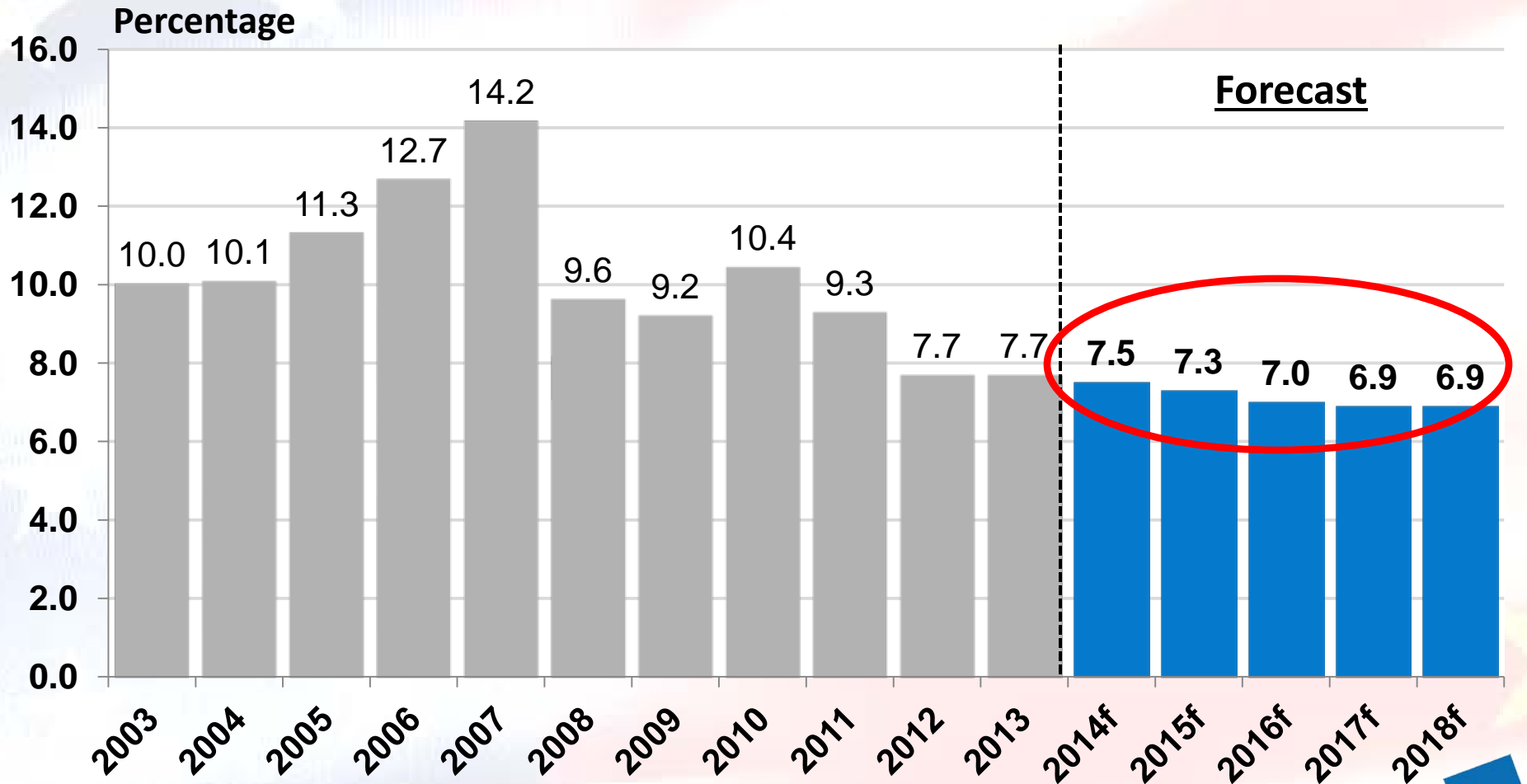


China and the Global Economy

- Largest Trading Nation in the world
- Largest Exporter in the world
- The 1st or 2nd largest trading partner of roughly 80 countries, which account for nearly 60% of global GDP
- China's share of global GDP has increased from 8% to 15% in just the past decade

China Real GDP Growth

(2003-2018)



China's 12th 5-Year Plan (2011-2015)

Key Objectives

- Western Regions
- Environment
- Energy Efficiency
- **Domestic Consumption**
- Reduce Inequality
- Scientific Development

The Future of the Chinese Economy

- Third Plenum of the Central Committee
- Economic Free Trade Zone of Shanghai
- Increased Open Markets
- Financial Reforms
- Consumer Spending
- Income Growth not GDP Growth

The Future of the China-L.A. County Relationship

- Key Sectors
 - Clean Tech, Entertainment, Aerospace, E-Commerce, Real Estate/Property Development, Tourism, Logistics, and Electronics
- Key Challenges
- Key Opportunities
- Recommendations
- Personal Ties, Investment, Trade, Tourism, etc....
- THE BEST DAYS ARE AHEAD!!