



# Southern California International Trade Outlook 2015-16



## LAEDC International Trade Outlook

Long Beach, California  
June 3, 2015

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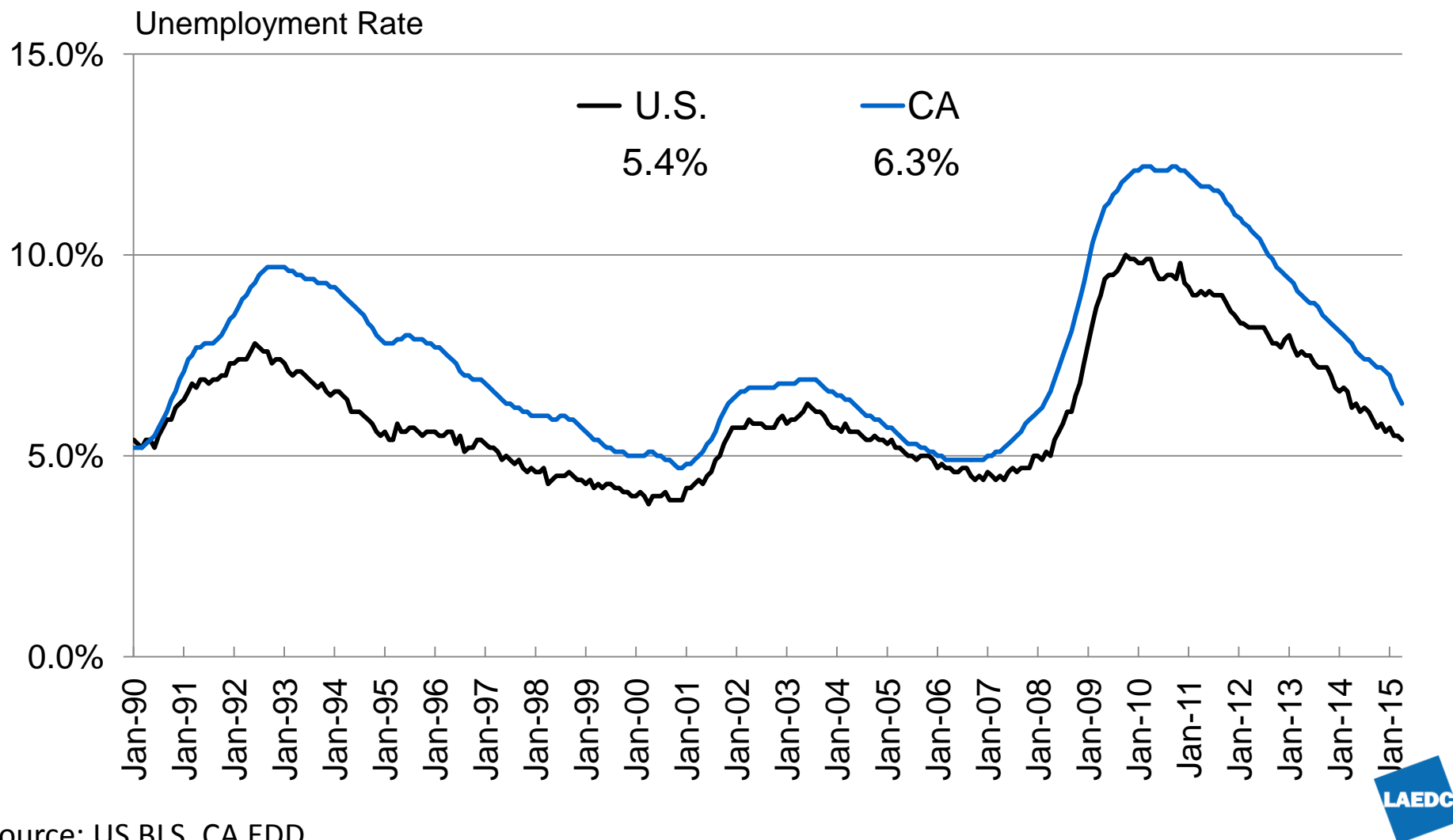
# Outline

- U.S. & Global Drivers of Trade
- L.A. County/So. California Regional Economy
- So. California International Trade Trends
- Forecasts & Opportunities Ahead

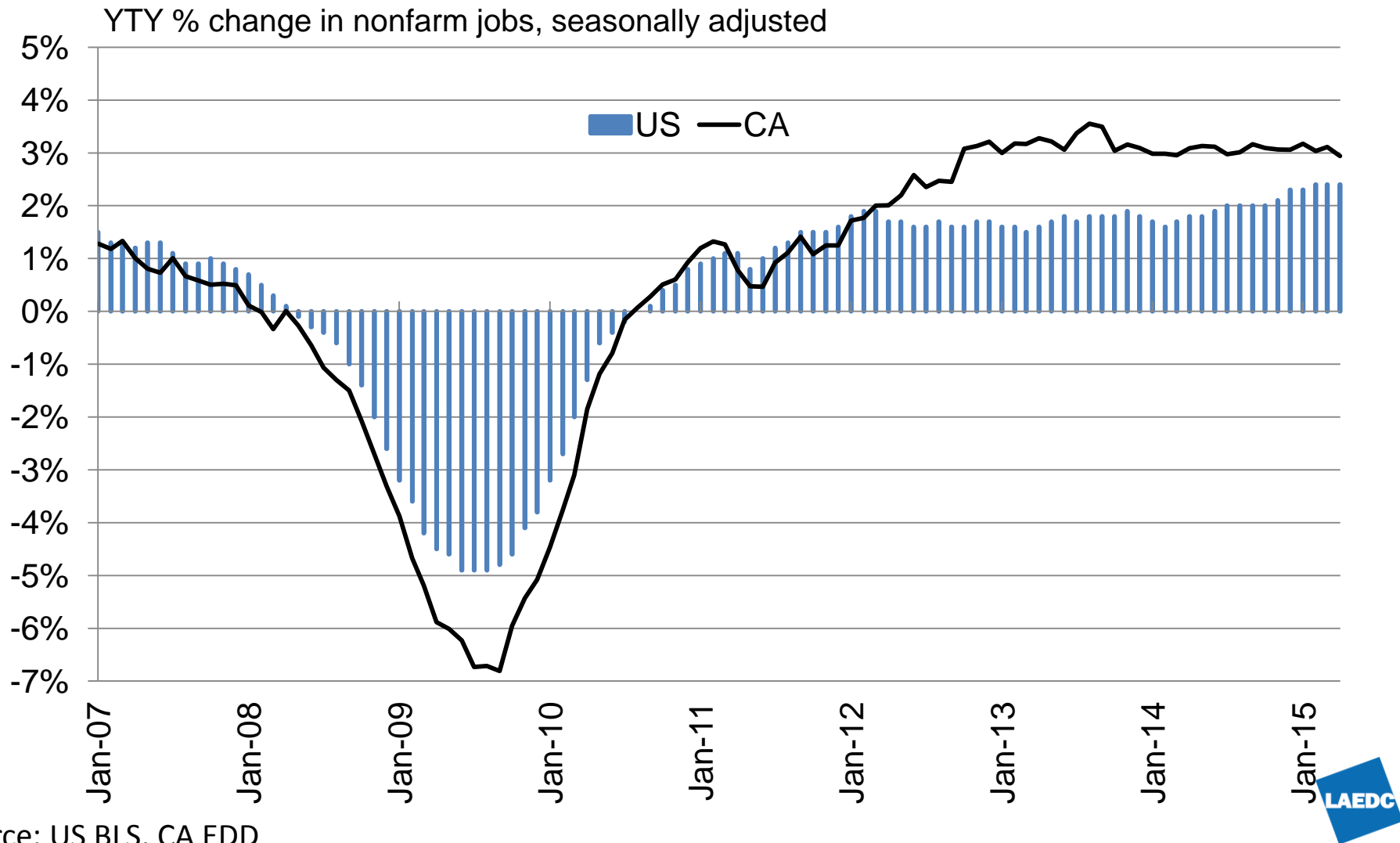


# **U.S. and Global Outlook- Macro Drivers of Trade**

# Labor Mkts in US & CA Nearly Healed





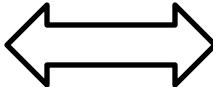


# California Adding Jobs Faster than U.S.



# U.S. Economic Forecast

	2012	2013	2014	2015f	2016f
Real GDP - Annual % Chg.	2.3%	2.2%	2.4%	2.5%	2.8%
Nonfarm Jobs - Annual % Chg.	1.7%	1.7%	1.9%	2.0%	1.7%
Unemployment Rate	8.1%	7.4%	6.2%	5.4%	5.1%
Consumer Prices - Annual % Chg.	2.1%	1.5%	1.6%	0.3%	2.2%

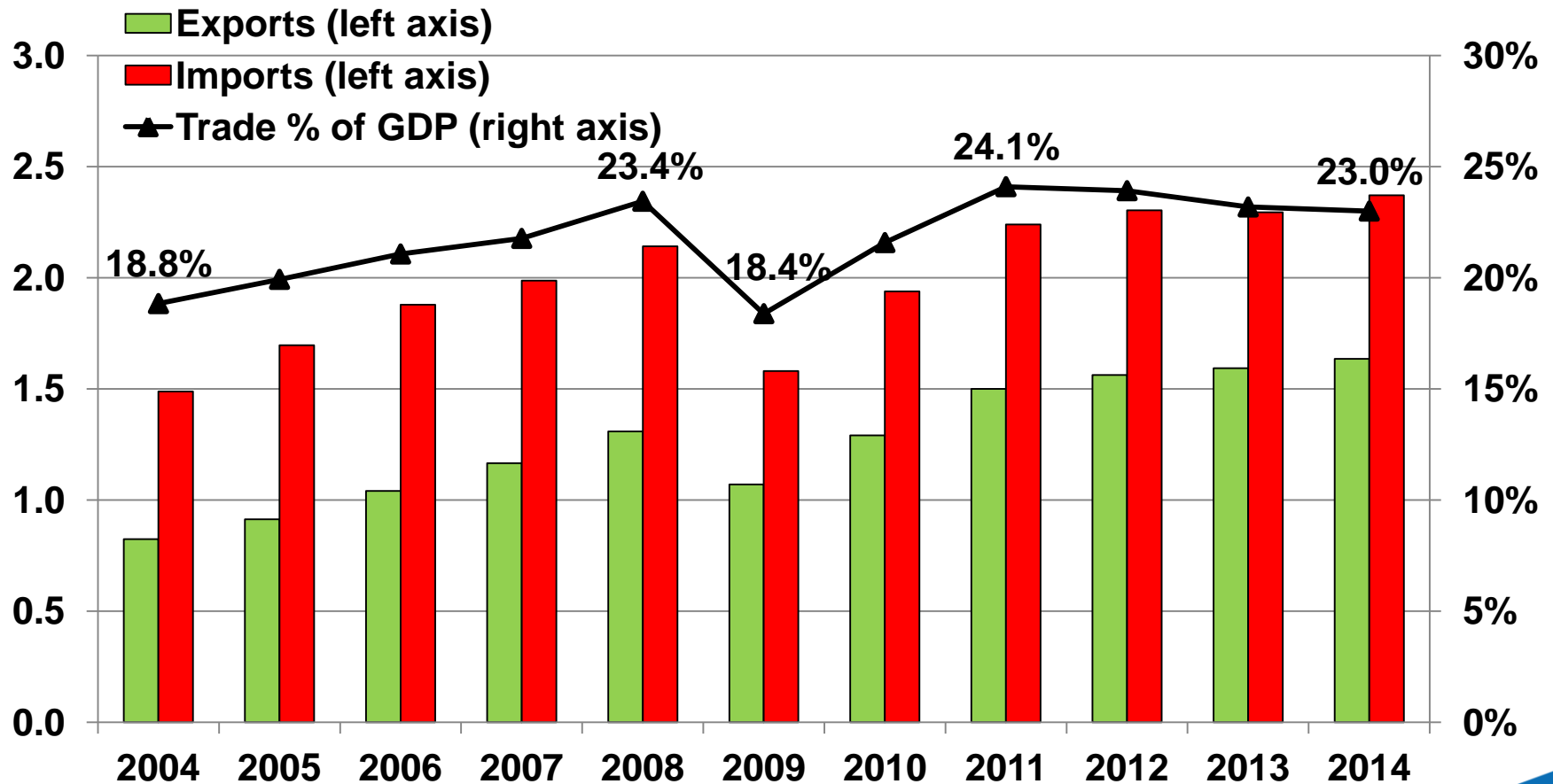
# Key Sectors of Macroeconomy

- Consumer Sector 
- Business Sector 
- Government 
- International Trade  

# Total U.S. Goods Trade

Exports, Imports of Goods  
\$ in Trillions (Nominal)

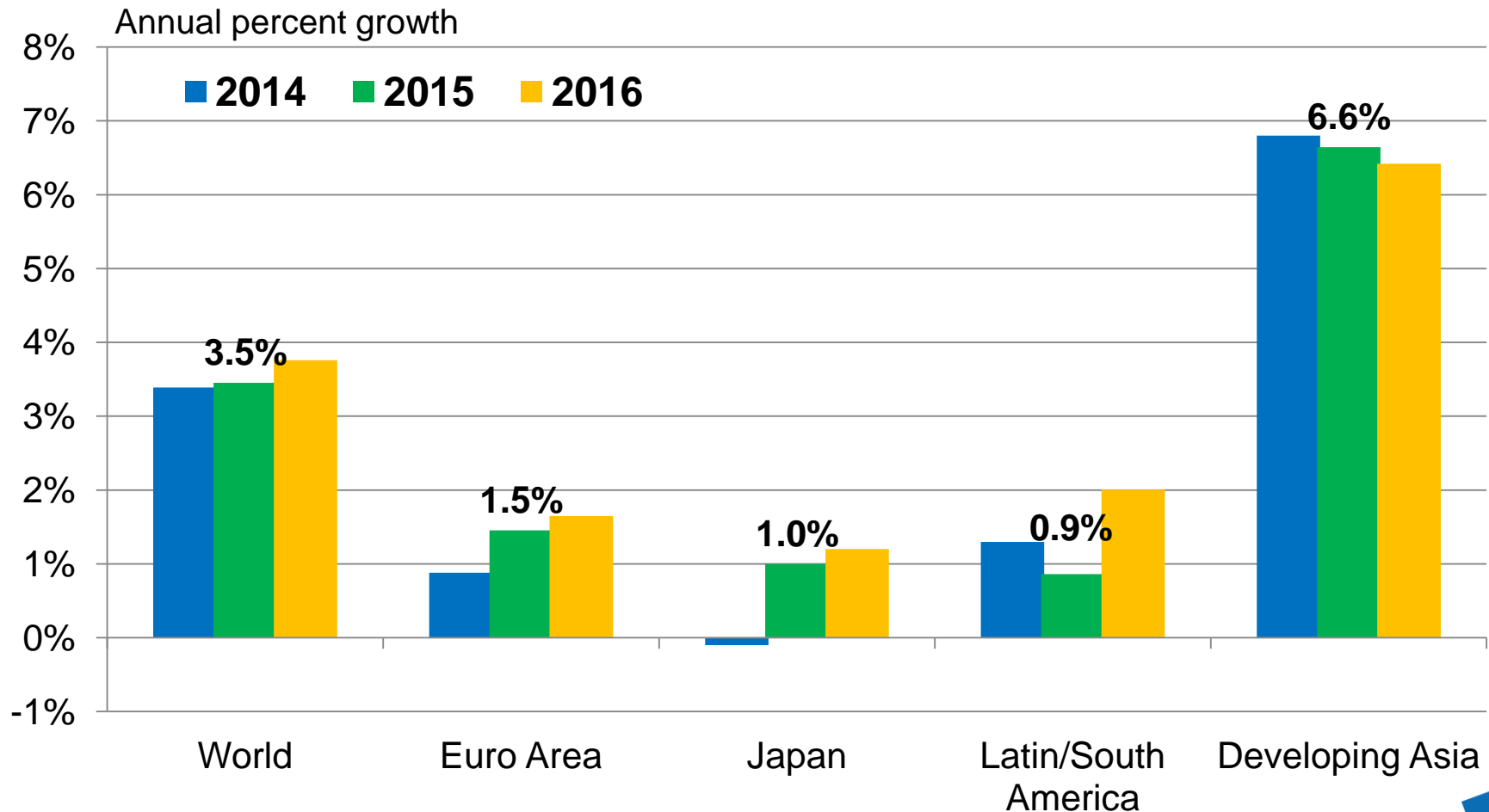
Goods Trade  
as % of GDP



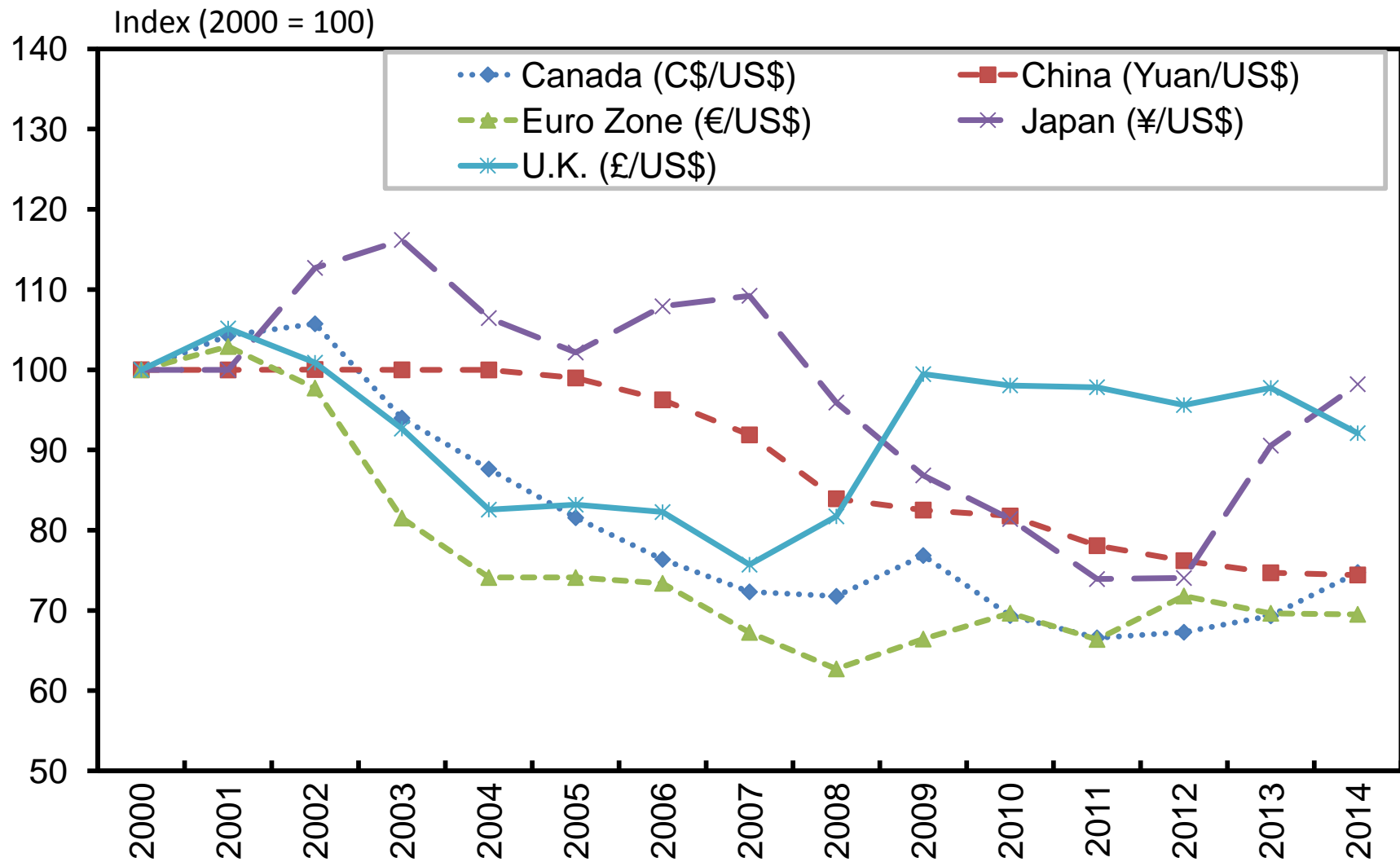


# Global Economic Outlook

*GDP, constant prices (percent change)*



# Value of U.S. Dollar Since 2000

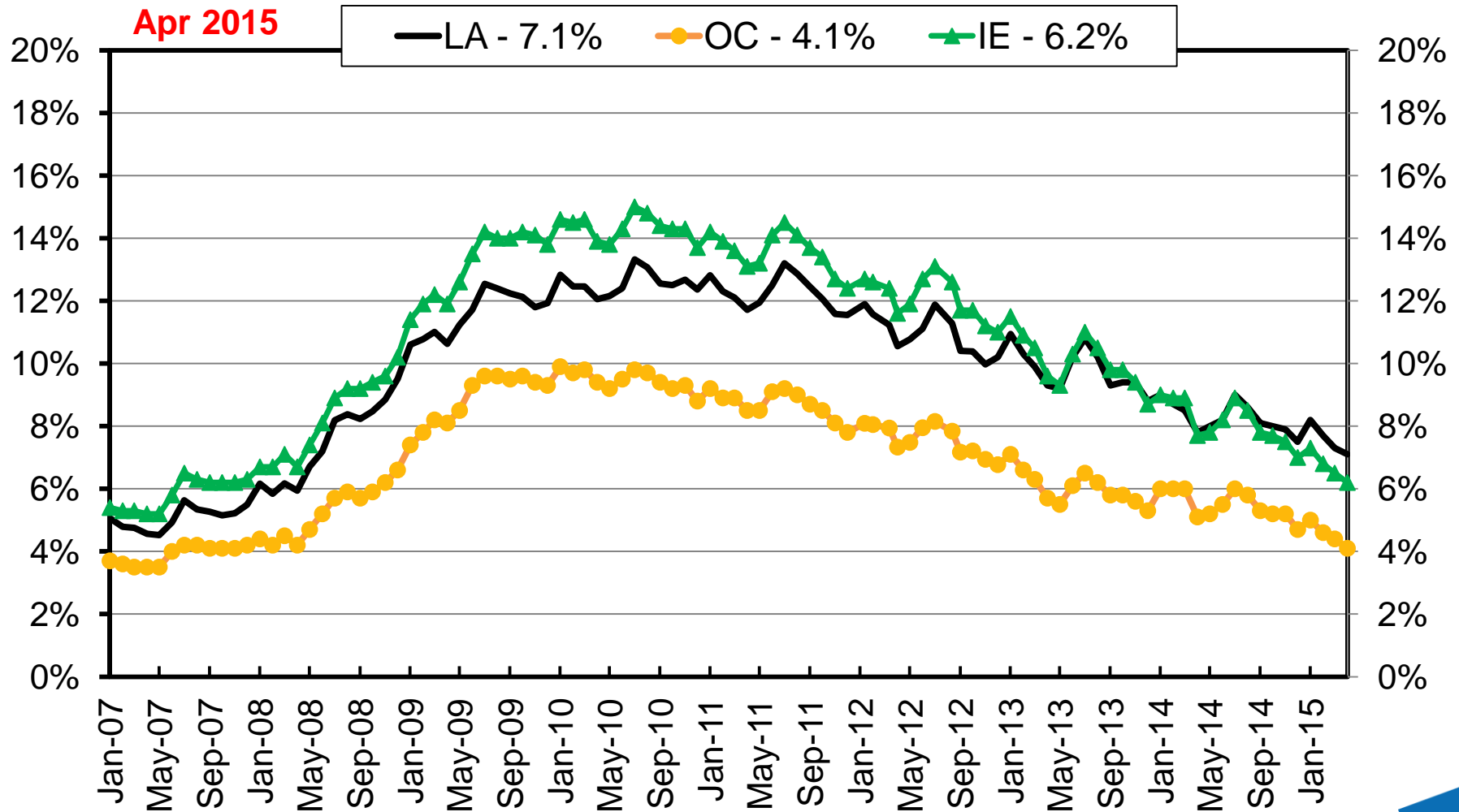


Source: Federal Reserve Board



# **L.A. County/Southern California Regional Economy**

# Local Unemployment Rates



# Major Industries in Southern California

## TRADED INDUSTRIES

### (Generate New Income)

- International Trade
- Entertainment
- Business Services
- Aerospace
- Fashion & Apparel
- Tourism
- Knowledge Creation

## LOCAL INDUSTRIES

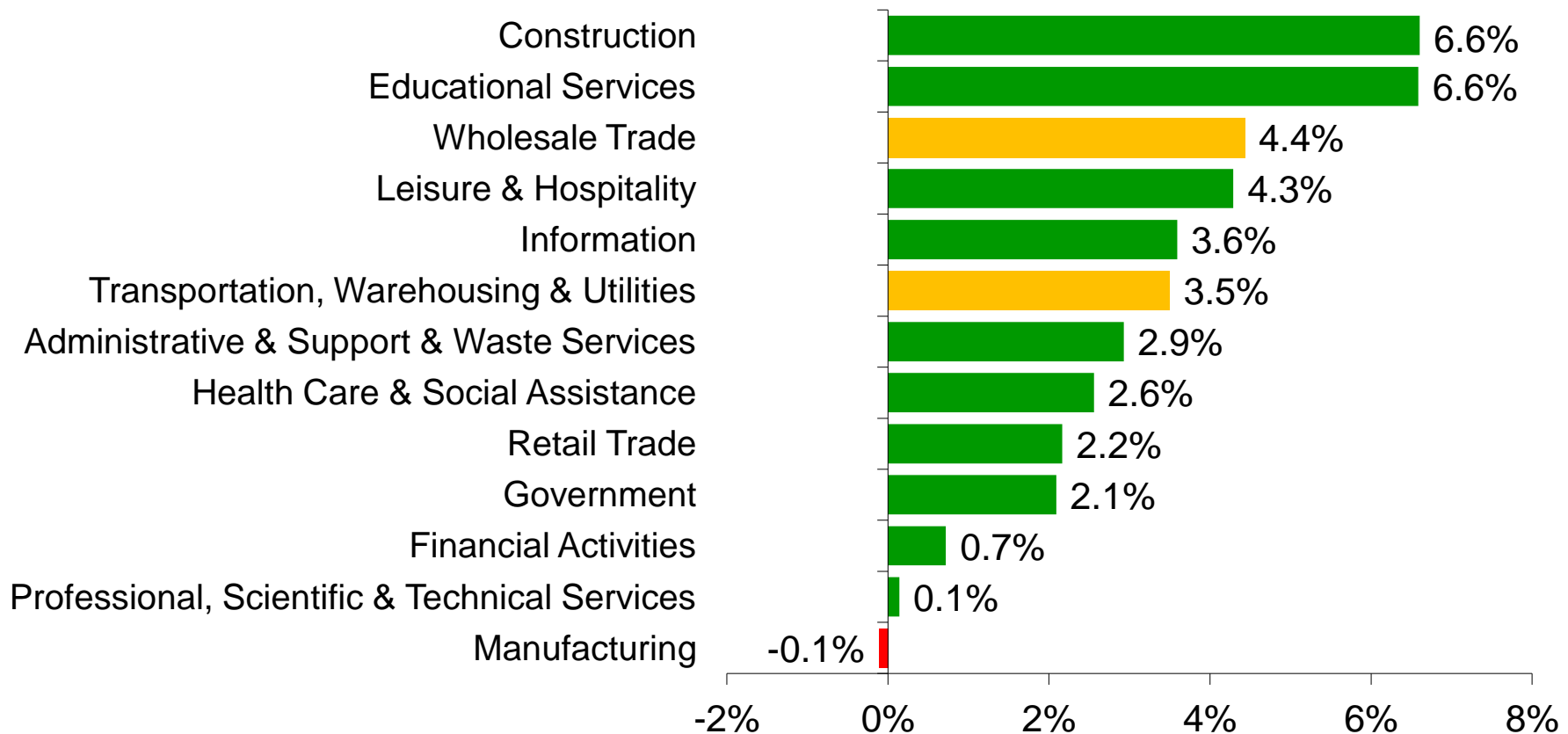
### (Circulate Income)

- Retail Sales
- Leisure & Hospitality
- Health Care/Social Assistance

# Job Trends by Industry – Los Angeles

*YTY % change in nonfarm employment by industry, not seasonally adjusted*

**Apr 2015: +109,600 jobs, +2.6% YTY; u-rate: 7.1%**

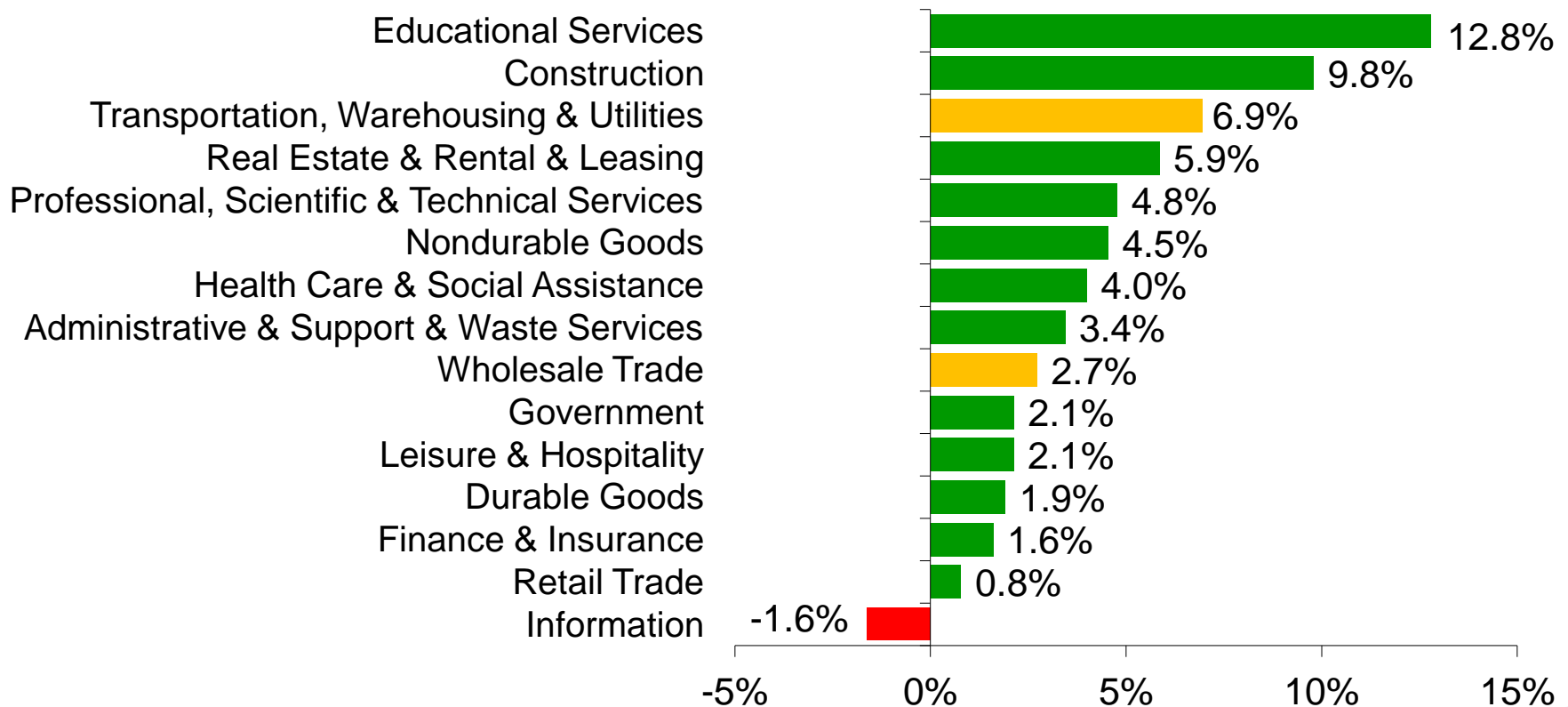


# Job Trends by Industry

## Orange County

*YTY percent change in nonfarm employment by industry*

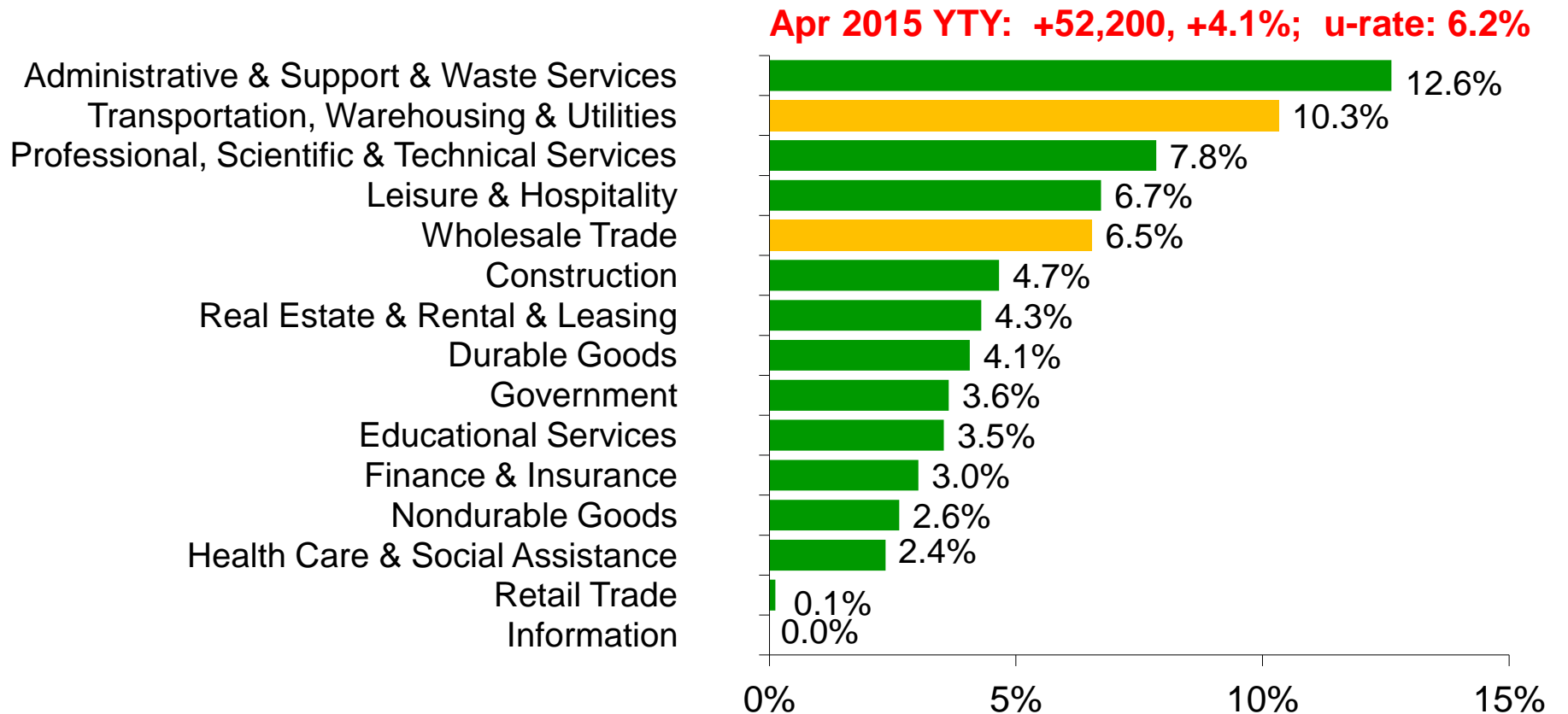
**Apr 2015 YTY: +50,500, +3.4%; u-rate: 4.1%**



# Job Trends by Industry

## Riverside – San Bernardino

*YTY percent change in nonfarm employment by industry*

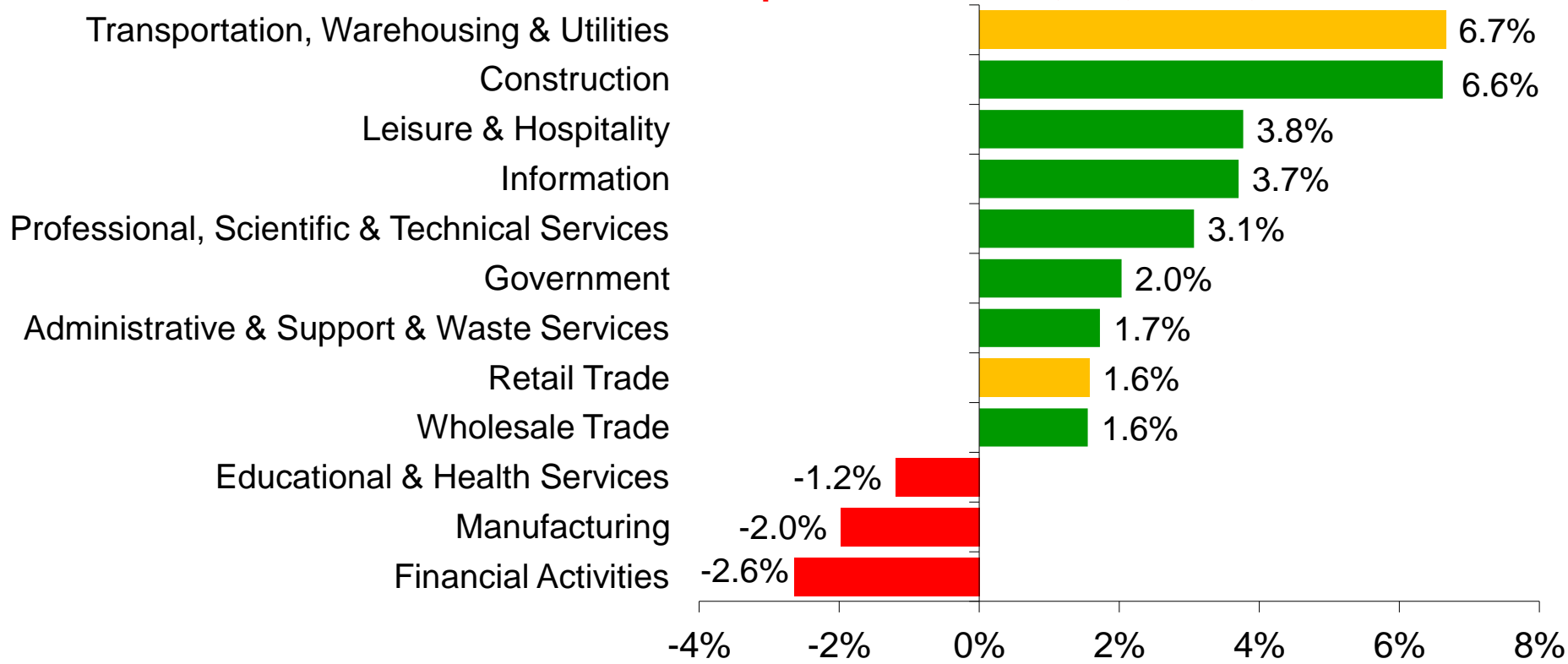




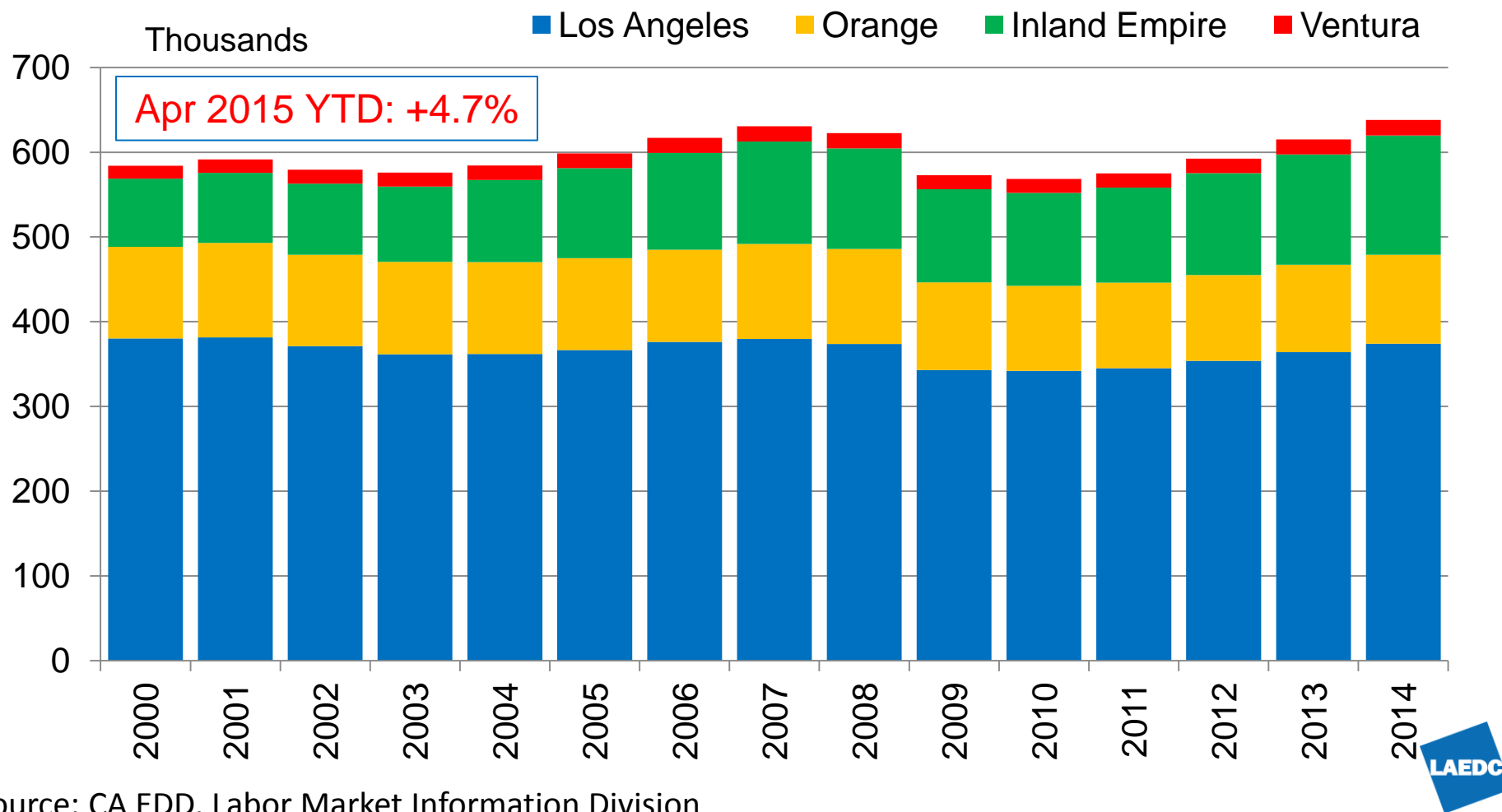
# Job Trends by Industry Ventura County

*YTY percent change in nonfarm employment by industry*

**Apr 2015 Total: +3,600, +1.2%; u-rate: 5.1%**



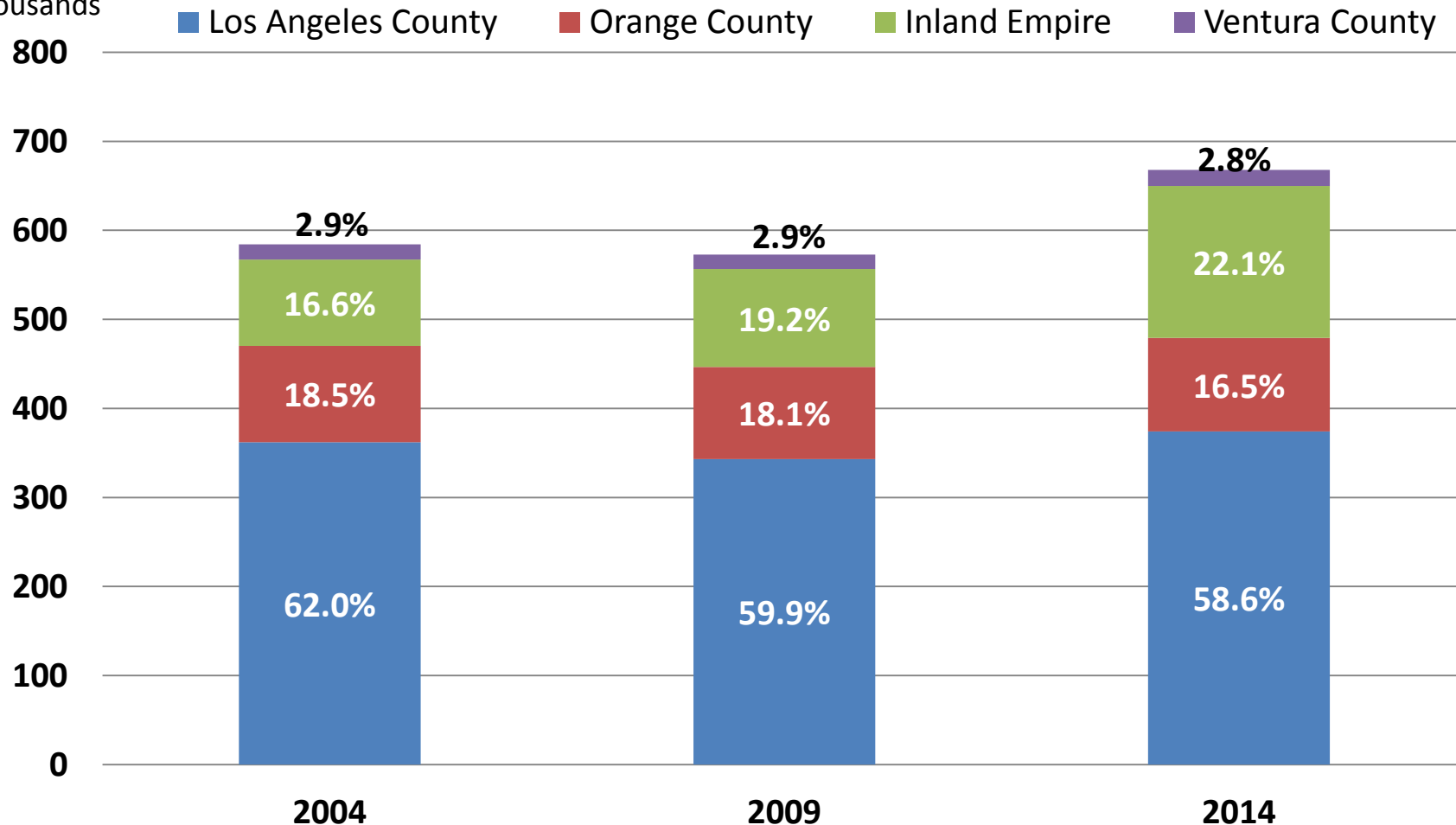
# Southern California Goods Movement Employment



# Goods Movement & Trade Employment

with employment shares by county

Employment,  
thousands



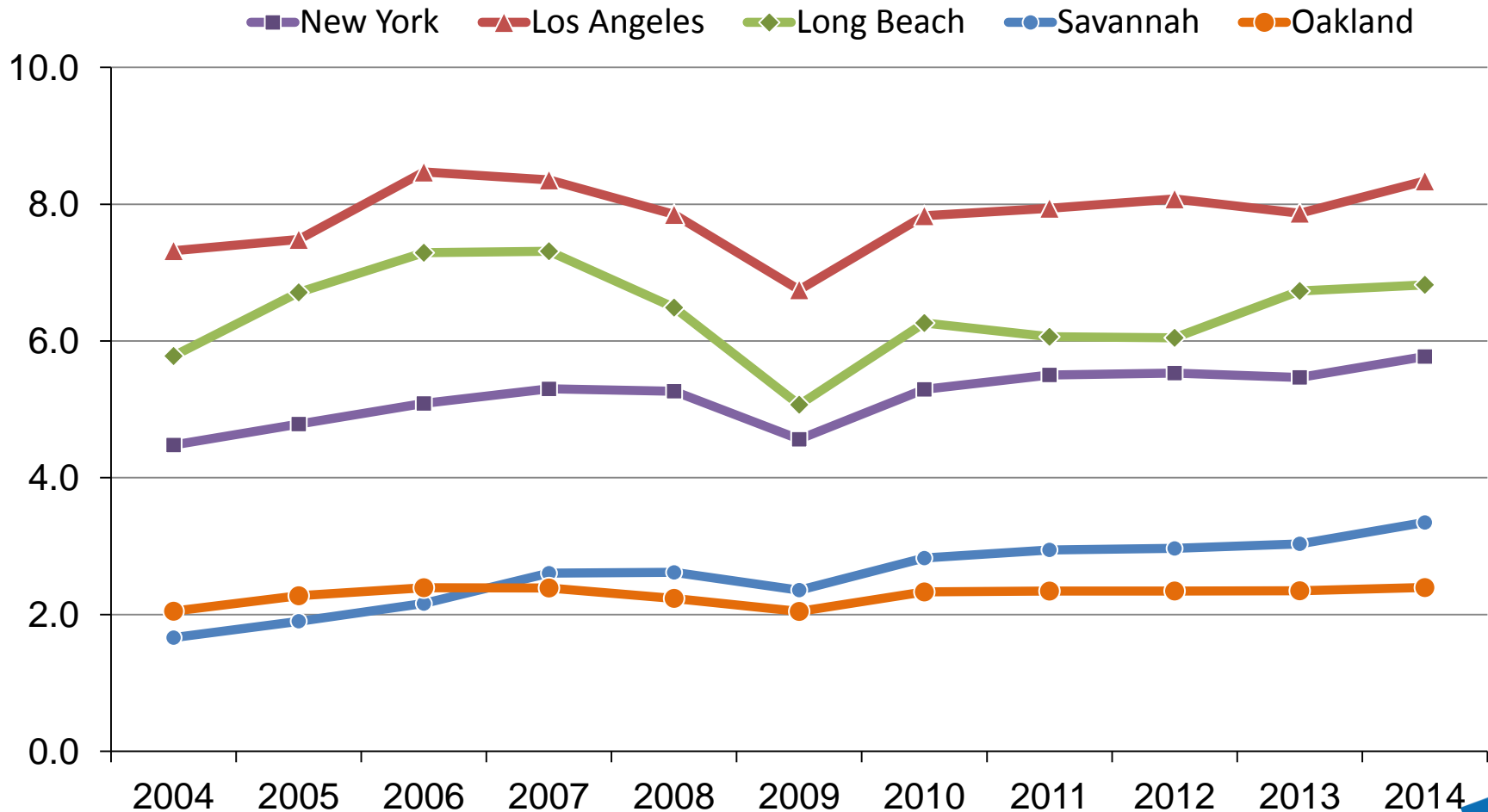
Source: CA EDD, Labor Market Information Division



# **Southern California Goods Movement/Trade Trends**

# International Container Traffic at Nation's Major Ports

Millions of TEUs



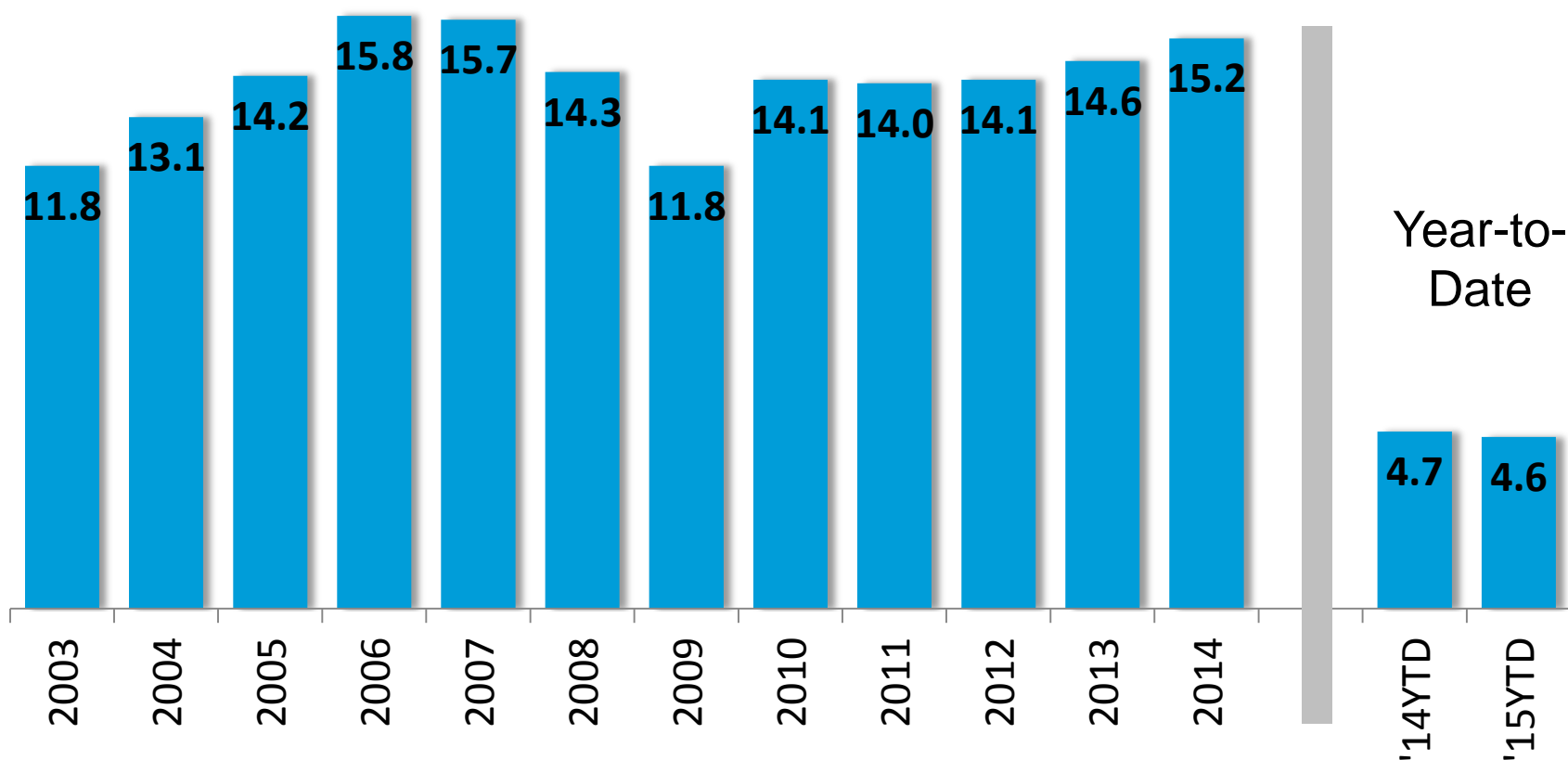
Source: Port Statistical Releases



# Container Throughput San Pedro Bay Ports

Millions of TEUs

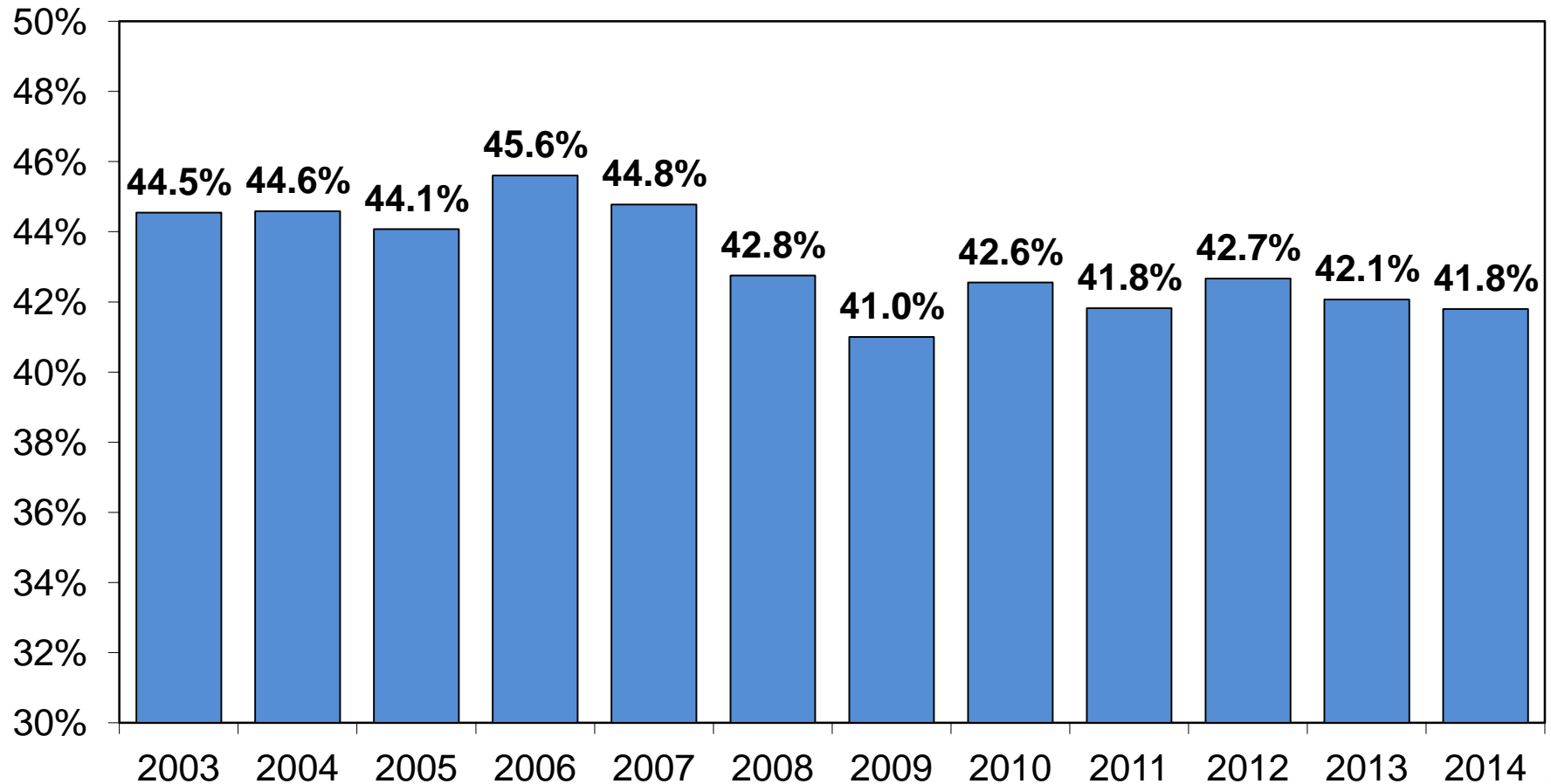
Apr 2015 YTD: -3.1%



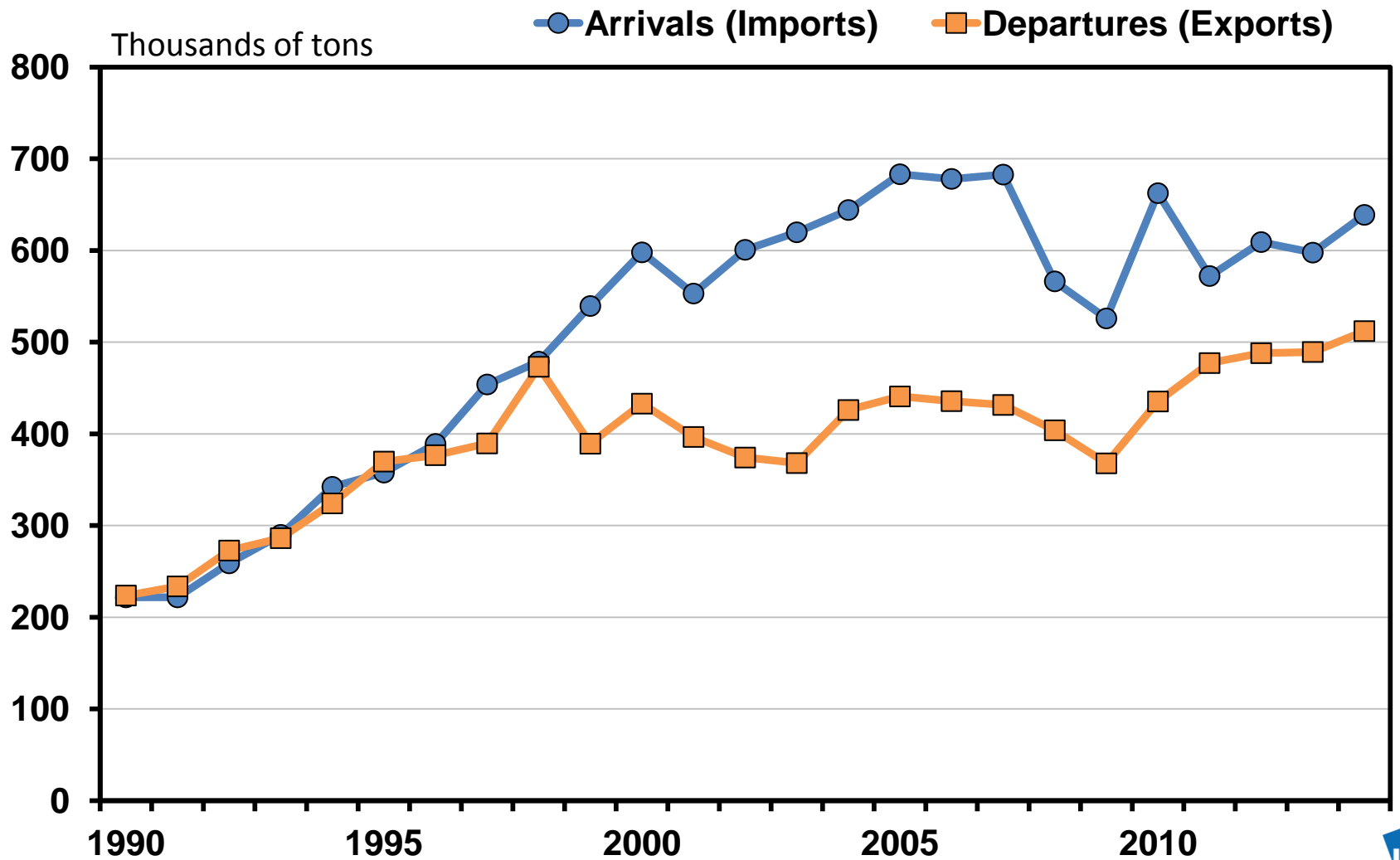
Sources: Ports of Los Angeles and Long Beach; forecast by LAEDC

# San Pedro Ports Dominate Top 10

POLA/POLB Containers as a Share of Top Ten Total



# LAX International Cargo Traffic

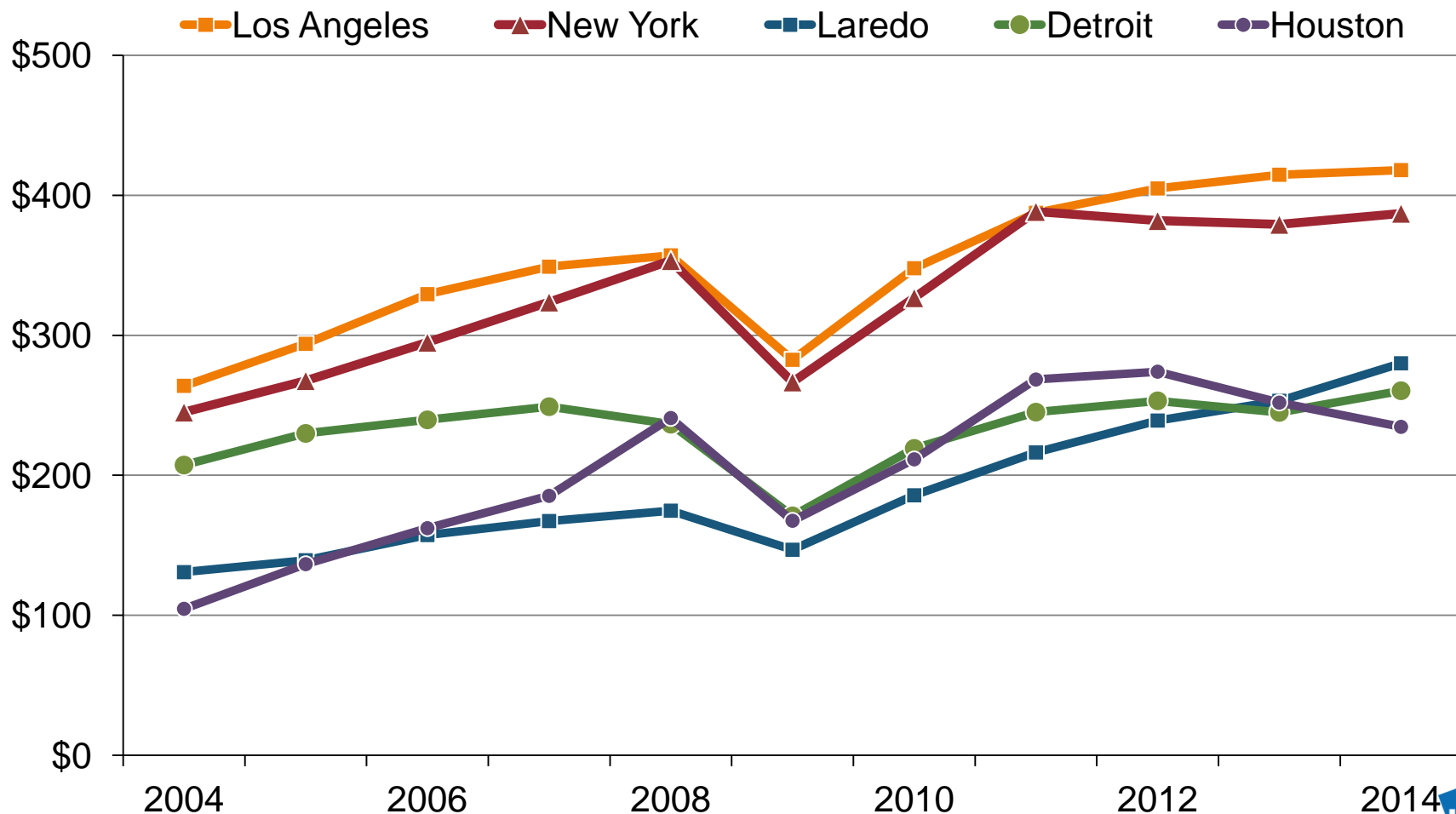




# Value of International Trade

at Nation's Leading Customs Districts

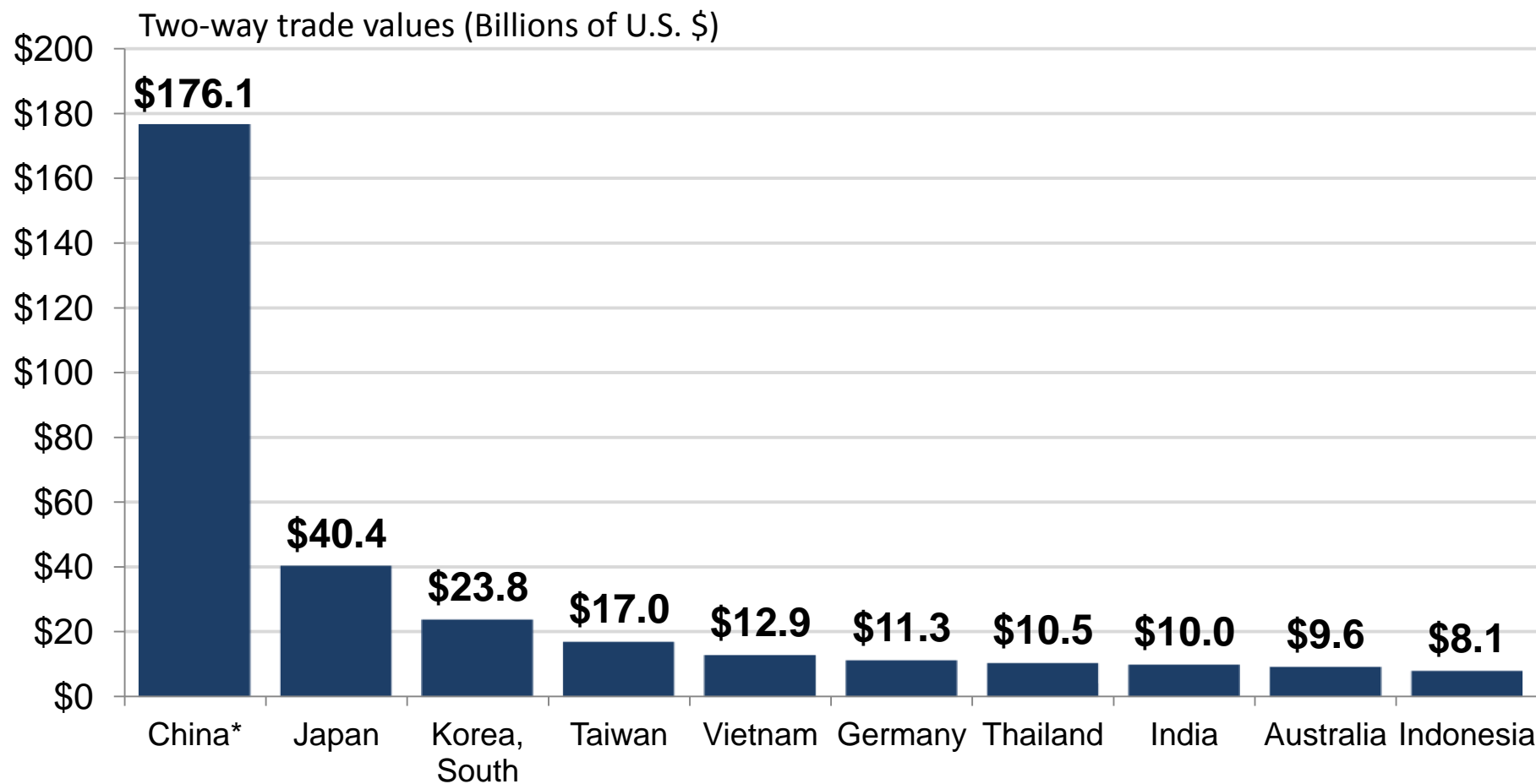
Billions USD



Source: U.S. Dept. of Commerce, U.S. Bureau of the Census



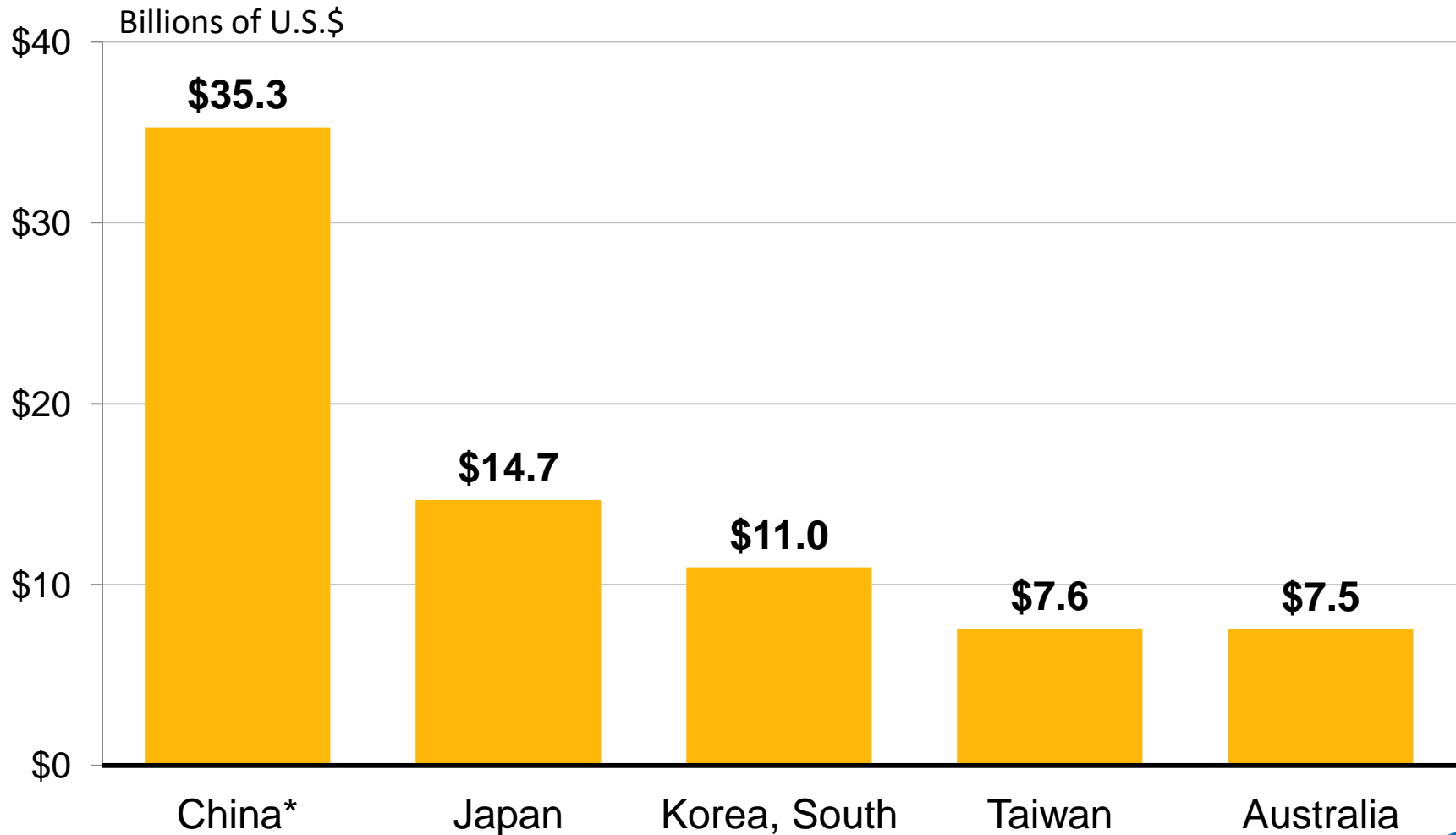
# LACD Top Trading Partners, 2014



\*China includes the Mainland, Hong Kong and Macau

Source: USA Trade Online

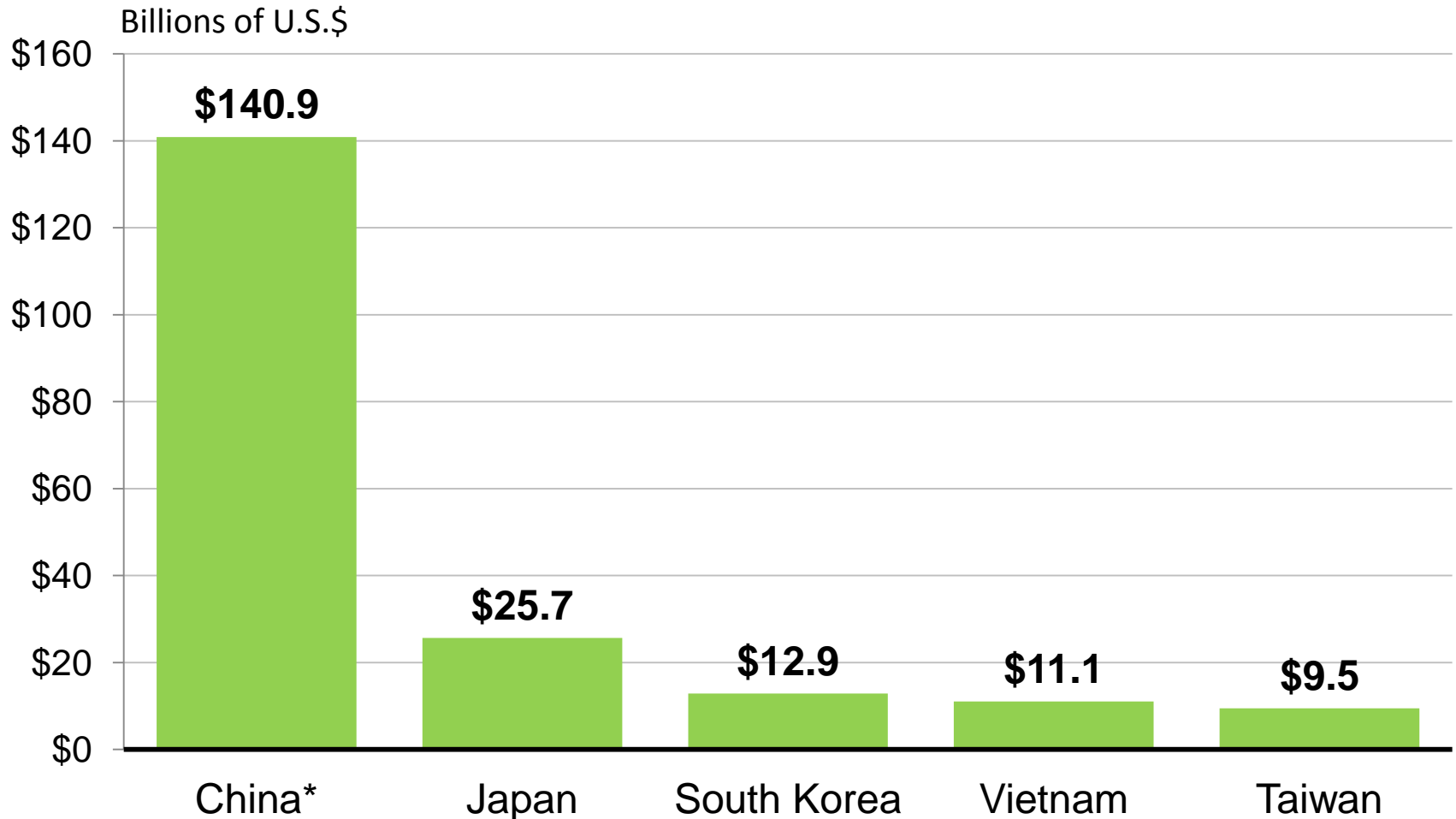
# LACD Top 5 Export Destinations, 2014



*\*China includes the Mainland, Hong Kong and Macau*

Source: USA Trade Online

# LACD Top 5 Import Sources, 2014



*\*China includes the Mainland, Hong Kong and Macau*

Source: USA Trade Online

# LACD Top Exports

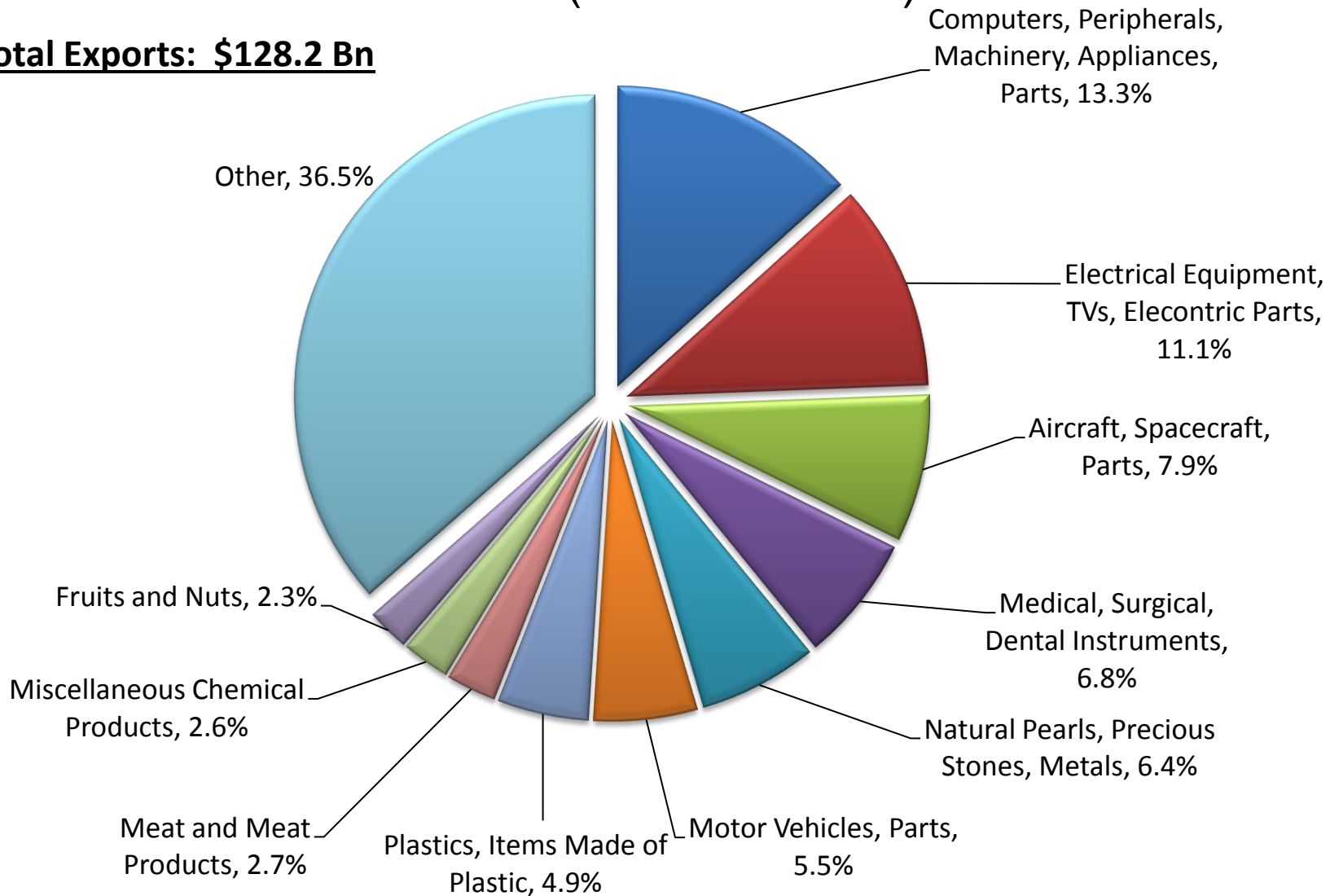
Ranked by Value, 2014

- Computers & Electronics (Measuring Instruments and Semiconductors)
- Transportation Equipment (Aerospace Products – Aircraft Engines and Parts)
- Chemicals (Organic & Inorganic and Resins)
- Machinery (Ag & Construction related and Pumps)
- Food (Meat – Frozen Beef)

# 2014 Exports Through The L.A.C.D.

(Share of Total)

**Total Exports: \$128.2 Bn**



# LACD Top Imports

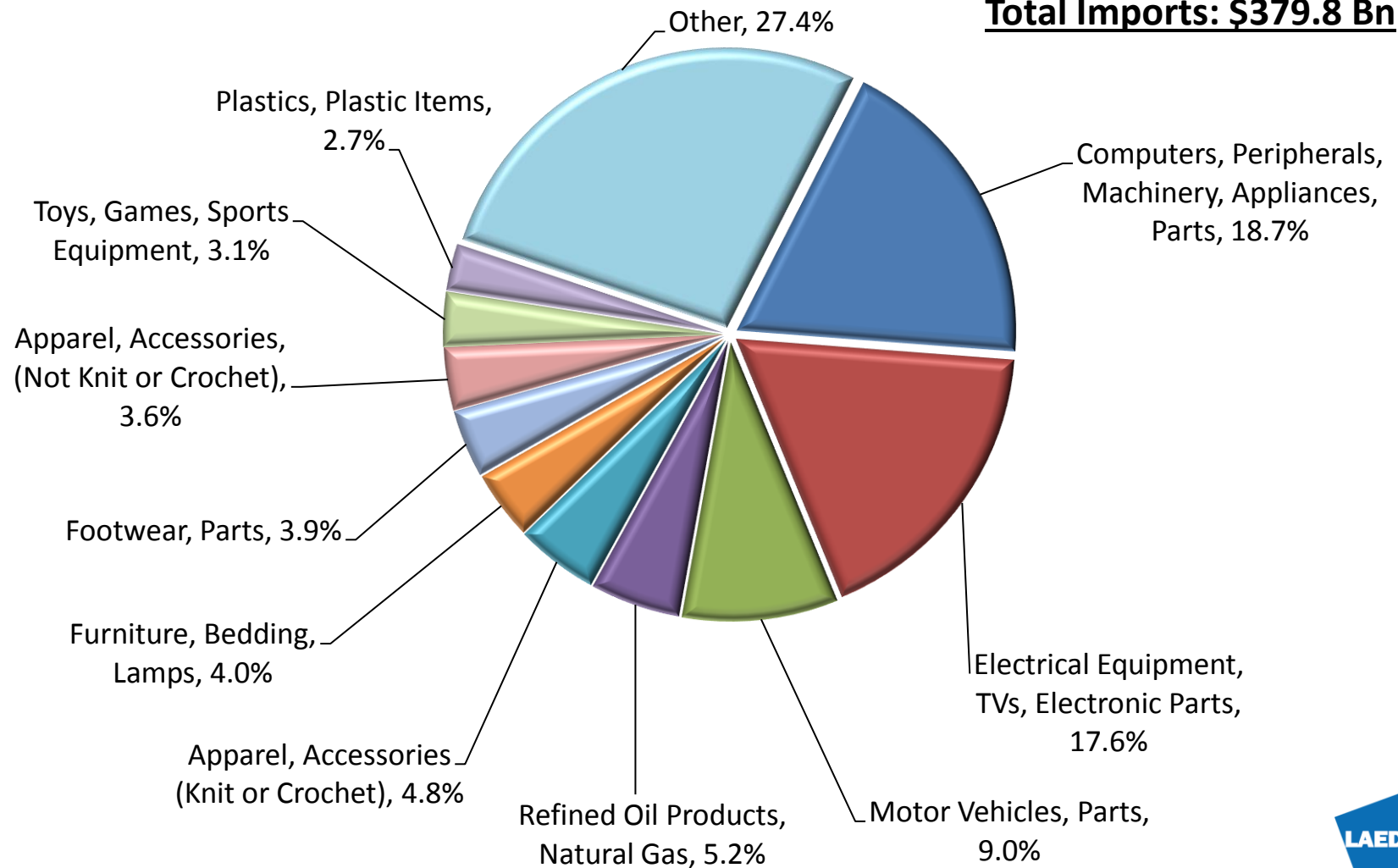
Ranked by Value, 2014

- Computers & Electronics (Computers and Semiconductors)
- Transportation Equipment (Autos and Auto Parts)
- Apparel (Women's Clothing)
- Miscellaneous Manufacturing (Toys, Jewelry and Medical Equipment)
- Electrical Equipment (Appliances)

# 2014 Imports Entering the L.A.C.D.

(Share of Total)

**Total Imports: \$379.8 Bn**





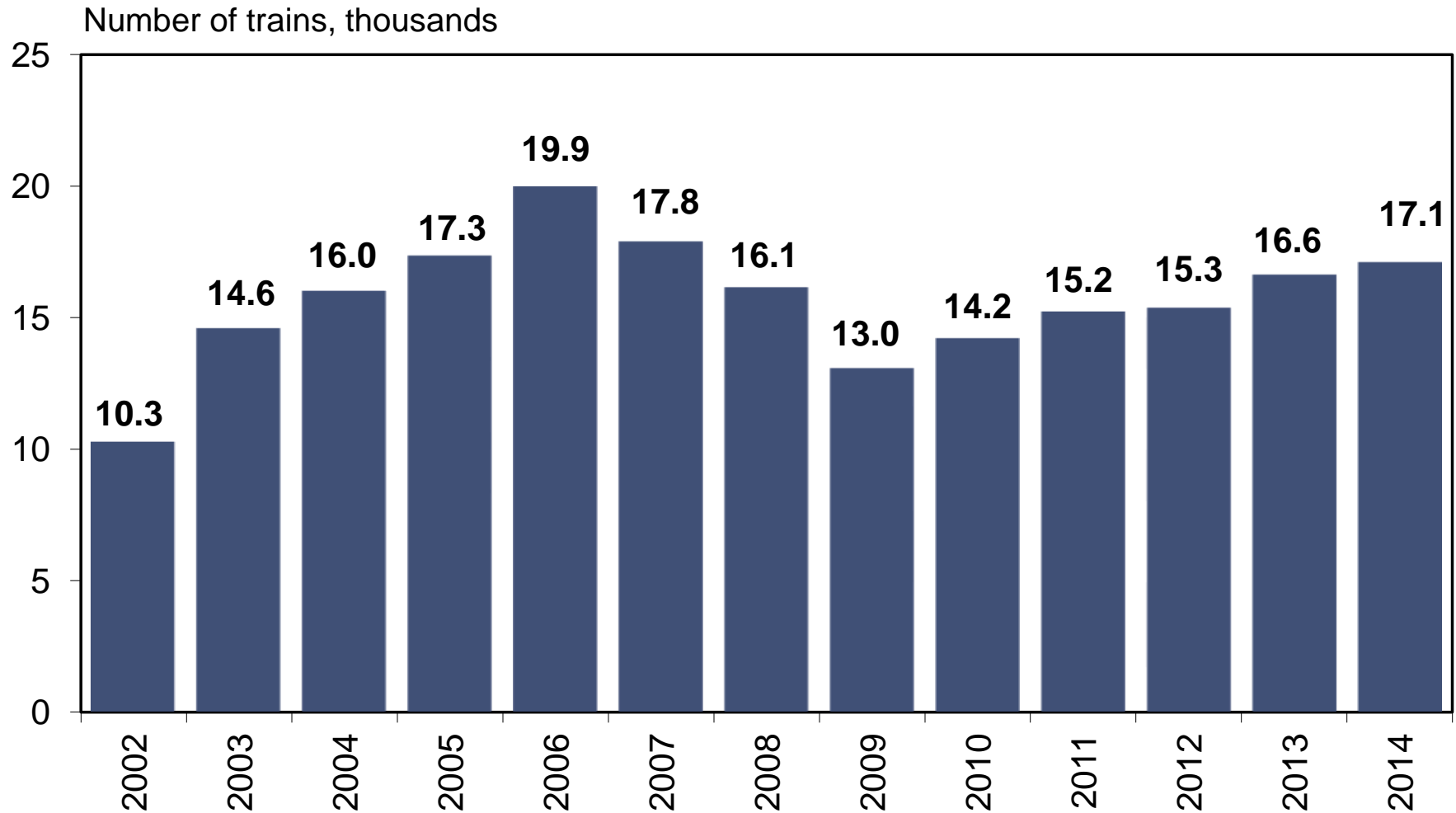
# Los Angeles Metro Area Exports

Ranked by Value, 2012

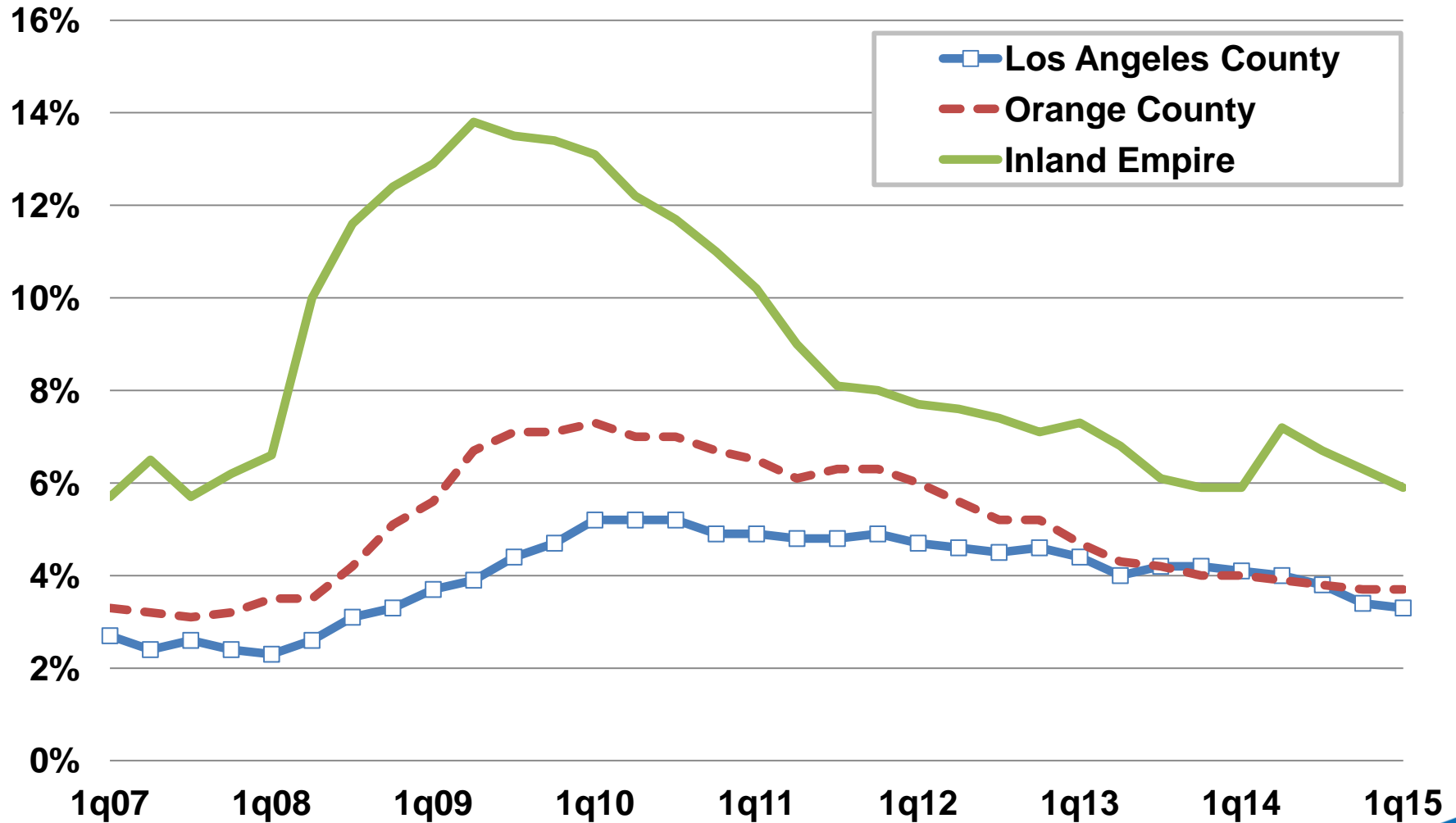
- Transportation equipment (aircraft products/parts)
- Royalties (from film and music)
- Petroleum Products
- Precision Instruments
- Semiconductors



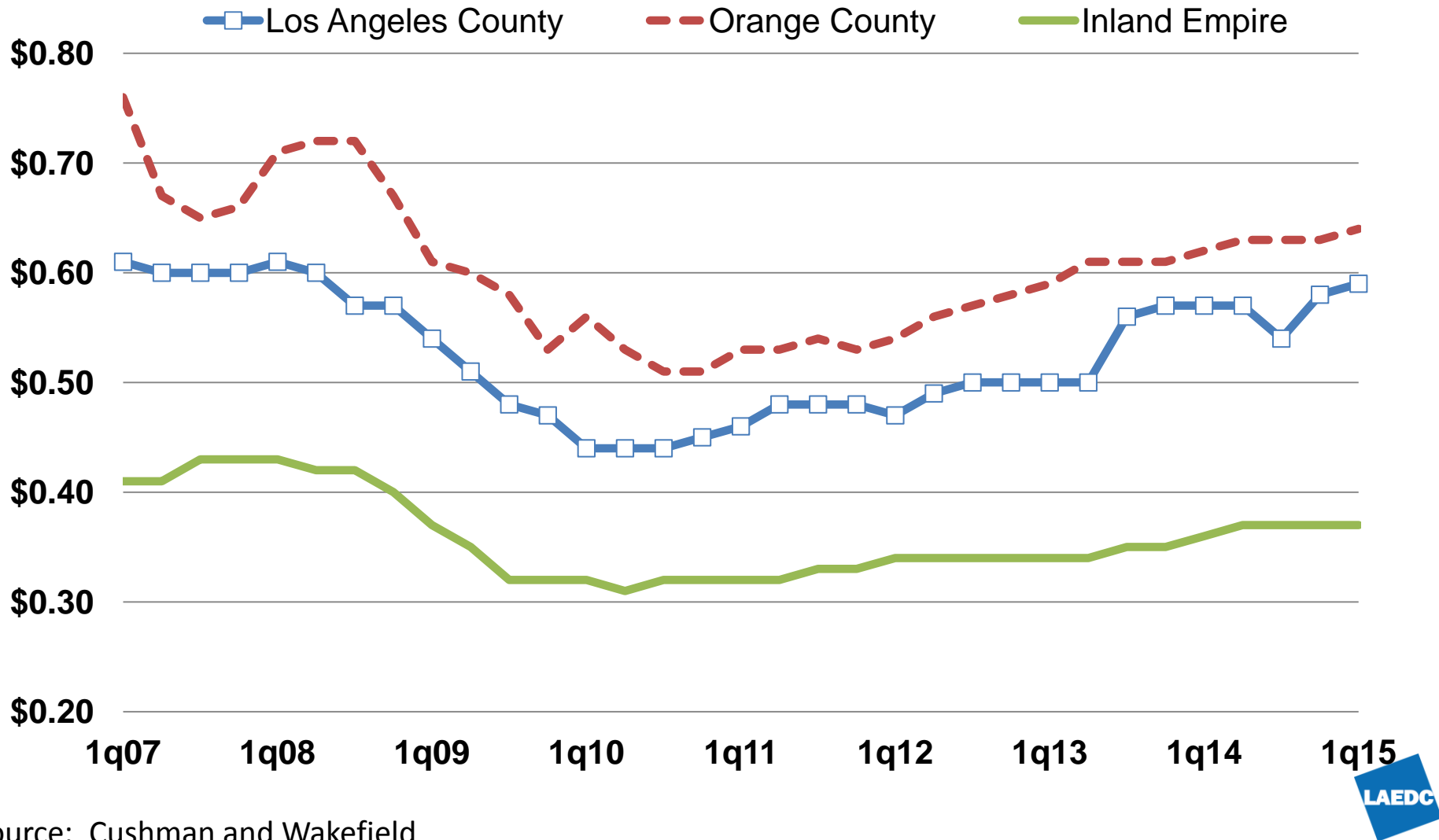
# Alameda Corridor Train Counts



# Industrial Vacancy Rates



# Warehouse/Distribution Rental Rates





# Forecast 2014-15

# U.S. & Global Outlook

Real % Changes (Inflation-Adjusted)	2013	2014	2015	2016
U.S. GDP	2.2%	2.4%	2.5%	2.8%
World Output	3.4%	3.4%	3.5%	3.8%
US Goods Exports	2.8%	4.0%	0.0%	5.1%
US Goods Imports	0.9%	4.1%	4.5%	6.9%

# Southern California Trade Outlook

	2013	2014	2015	2016
<b>LACD Two-Way Trade (\$ billions)</b>	\$414.5	\$416.6	\$416.7	\$439.7
<b>% Change</b>	2.7%	0.5%	0.02%	5.5%
<b>San Pedro Ports TEUs (millions)</b>	14.60	15.16	15.23	15.60
<b>% Change</b>	3.4%	3.8%	0.5%	2.4%

# Challenges & Opportunities: US Trade

## CHALLENGES

- Rising \$ -> Higher Export Prices  
-> Weaker Real Exports
- Near-Term Weakness Among Trade Partners Limits Exports
- High Labor Costs

## OPPORTUNITIES

- Rising \$ -> Lower Import Prices -  
> Stronger Real Imports
- Long-Term Growth of Developing Economies & Rising Living Standards Imply LR Export Potential
- Lower Energy Costs & “Made in U.S.A.”



# Challenges & Opportunities: Ports

## CHALLENGES

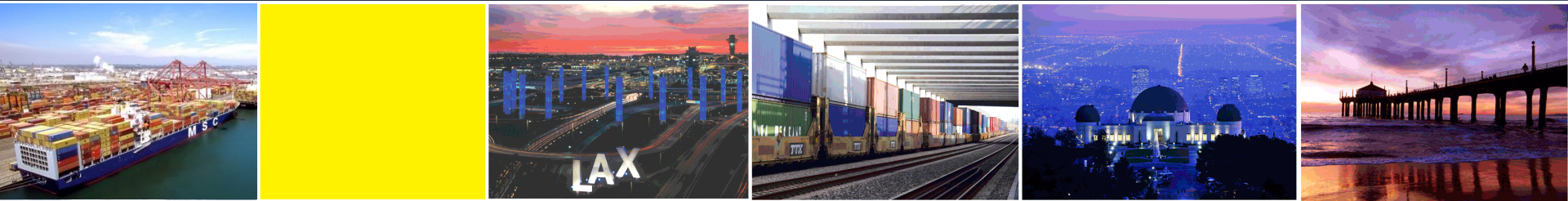
- Port Competition
- Freeway Congestion
- Limited Industrial Space
- Labor-Automation Tradeoff
- Port-Related Pollution

## OPPORTUNITIES

- Big Ship Ready, Efficient
- Alameda Corridor
- Think Regional – IE
- Answer?
- Global Leaders in Adoption of Pollution Mitigation Efforts & Technology
- Growth of Trade – US & Global!!!



# Southern California International Trade Outlook 2015-16



**Thank You!**