



**LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**CONTACT:**

**Colin Maynard**

(213) 236-4845

[Colin.Maynard@laedc.org](mailto:Colin.Maynard@laedc.org)

**Nhien Lasky**

(213) 236-4816

[Nhien.Lasky@laedc.org](mailto:Nhien.Lasky@laedc.org)

## News Release

**FOR IMMEDIATE RELEASE**

**Wednesday, May 18, 2011**

### **LAEDC Report Sees International Trade Industry Back in Growth Mode**

*Southern California is poised to benefit from National Export Initiative, Los Angeles County still number one international trade center in U.S.*

**LOS ANGELES** — Southern California's key international trade industries turned in surprising results in 2010 despite modest economic recovery in other industry sectors. The report, entitled *International Trade Trends: The Southern California Region 2010 Review and 2011 Outlook*, was prepared by the Kyser Center for Economic Research at the Los Angeles County Economic Development Corporation (LAEDC). Along with the good news about 2010's trade outlook, the report pointed to further growth in 2011 and 2012.

"The global economic recovery was a big factor in 2010's positive surprise," said Nancy Sidhu, Ph.D, who serves as the Chief Economist at the Kyser Center. "All of Los Angeles Customs District's top five trading partners returned to growth mode and the expanding economy will also act as a tailwind in 2011."

Some of the key findings of the LAEDC report include:

- The value of two-way trade values through the Los Angeles Customs District (LACD) grew by 7.5 percent on its 2010 value of \$346.9 billion to \$372.8 billion for 2011. LACD retained its ranking as the number one international trade center in the United States.
- The number of containers handled at the ports of Los Angeles and Long Beach will total 14.8 million TEUs, an increase of 5.2 percent over 2010.
- In the surrounding five county region, international trade was responsible for 516,600 jobs for 2011, up 2 percent from 2010's 506,500 jobs.

**- more -**

- As the LACD's number one trading partner, China's rapid economic upswing was a key factor in the 2010 recovery and continued growth into 2011-2012. Also, while China's booming economy positively influences surrounding Asian countries, the Ports of Los Angeles and Long Beach continue to count these leading economies as their top trading partners.
- The South Korea-U.S. Free Trade Agreement would have a significant positive impact on LACD operations as nearly 30 percent of U.S. trade value with South Korea comes through the Ports of Los Angeles and Long Beach.
- The National Export Initiative (NEI) offers potential for additional export growth out of the local ports. Los Angeles County is well positioned to take advantage of NEI thanks to its size, status as the international trade and manufacturing capital of the U.S., and its strategic location in relation to the fast growing nations of Asia. Also, California serves as an economic production base for many of the goods and services moved out of the region's ports.
- With major terminal expansions at the two ports coming online in the next five to ten years, there should be no concern about future capacity. At the same time, both ports are fast on their way to becoming the "greenest" ports in the world, and continue to lend a competitive advantage.
- The recent "Triple Disasters" in Japan have resulted in shortages of Japanese-made goods as the nation grapples with \$200-plus billion in damages. Tourism has also declined due to the disasters, but Japan is poised to bounce back based on the sheer size of its economy (3<sup>rd</sup> largest in the world). Recovery should lead to higher LACD exports later this year and in 2012.
- High oil prices are a problem for international trade participants because they boost transportation costs. Still, the Kyser Center analysis suggests the volume of trade through the ports will be sustainable because oil trade partners in developing Asia are growing rapidly.
- Competitions from other ports present challenges to the Southern California ports. The Panama Canal expansion will open in 2014, and ports on the East and Gulf Coasts are expanding in anticipation of higher volumes. However, the issue is not settled yet. The local international trade community can still influence shippers' future decisions.

Dr. Sidhu also pointed to ongoing projects at the ports as indicators of continued growth in the coming years.

"A number of key infrastructure and terminal expansion projects are underway," said Sidhu, "so we'll have the capacity to handle more volumes in the future."

**ABOUT THE LAEDC**

The LAEDC, the region's premier economic development leadership organization, is a private, non-profit organization established in 1981 under section 501(c)(3). Its mission is to attract, retain, and grow business and jobs for the regions of Los Angeles County. Since 1996, the LAEDC has helped retain or attract more than 171,300 jobs while providing \$8.4 billion in direct economic impact from salaries and more than \$144 million in annual tax revenue benefit to local governments and education in Los Angeles County.

[**Editor's Note:** Please see the embargoed (until 12:01 a.m. Wednesday, May 18<sup>th</sup>) copy of *International Trade Trends: The Southern California Region 2010 Review and 2011 Outlook.* report. You can view the report online at: <http://laedc.org/newsroom/pdf/TradeOutlookReport.pdf>. For interviews, please contact Colin Maynard, PR Director, at (213) 236-4845. For more information about LAEDC visit [www.laedc.org](http://www.laedc.org) and [twitter.com/laedc](https://twitter.com/laedc).]

###