



In 2019, America's ports supported more than
30 MILLION JOBS,

accounted for more than **1/4** OF THE U.S.

\$20-TRILLION-ECONOMY
and generated about

\$400 BILLION

in federal, state, and local tax revenues.

CALIFORNIA IS THE

5TH ECONOMY IN THE WORLD, and the Southern California region ranks in the **TOP 20.**

California ports handle about **40% OF ALL CONTAINERIZED IMPORTS** and **30% OF ALL EXPORTS** in the U.S. Trade through California ports supports more than **1 MILLION JOBS** in the state and **3 MILLION JOBS** nationwide. The ports are leading the discussions about U.S. competitiveness and fair trade.

THREE MAJOR MARKETS IN SOUTHERN CALIFORNIA

1

**INTERNATIONAL
TRADE**

2

**DOMESTIC
TRADE
AND NATIONAL
DISTRIBUTION**

3

**REGIONAL
AND LOCAL
DISTRIBUTION**

Southern California Gateway



The #1 U.S. Customs District Gateway



Four deep-water ports, including the nation's largest container port complex



Major air cargo center with LAX and ONT. LAX is also the U.S. busiest airport in terms of destination and origin. LAX has more than 1,000 daily cargo flights.



West Coast rail hub with more than 100 trains per day passing through the ports



Numerous regional distribution centers with 1.8 billion square feet of warehousing. The Inland Empire is the transloading capital of the United States



Southern California is the manufacturing capital of the U.S.

TOP IMPORTS (AIR AND SEA CARGO)

- | | | |
|--------------------------|------------------------------|---------------------------------------|
| 1. Motor Vehicles | 11. Motor Vehicle Parts | 19. Re-Import of Repaired Merchandise |
| 2. Computers | 12. Diamonds | 20. TV and Digital Cameras |
| 3. Cell Phones and Parts | 13. Computer Parts | 21. Gasoline |
| 4. Oil | 14. Computer Chips | 22. Lamps and Lighting |
| 5. TV's and Monitors | 15. Seats | 23. Electric Heaters |
| 6. Printers and Parts | 16. Travel Goods and Jewelry | 24. Audio Media |
| 7. Shoes | 17. Women's Suits | 25. Power Supplies and Transformers |
| 8. Toys | 18. Rubber Tires | |
| 9. Sweaters | | |
| 10. Furniture and Parts | | |

TOP EXPORTS (AIR AND SEA CARGO)

- | | | |
|--------------------------------|---------------------------------|--------------------------------|
| 1. Civilian Aircraft and Parts | 11. Cell Phones | 20. Defense Aircraft and Parts |
| 2. Computer Chips | 12. Motor Vehicle Parts | 21. Cosmetics |
| 3. Diamonds | 13. Vaccines and Plasma | 22. Converters and Filters |
| 4. Medical Instruments | 14. Prepared Food and Beverages | 23. Taps and Valves |
| 5. Motor Vehicles | 15. Medical Chemicals | 24. Orthopedic Equipment |
| 6. Cotton | 16. Aircraft Parts | 25. Soybeans |
| 7. Frozen Beef | 17. Semiconductors | 26. Computer Parts |
| 8. Nuts | 18. Iron and Steel Scrap | 27. Paper Scrap |
| 9. Machinery Parts | 19. Medical Appliances | |
| 10. Computers | | |

TOP MARKETS (AIR AND SEA CARGO)

- | | | |
|--------------|-------------|---------------|
| 1. China | 5. Vietnam | 9. Germany |
| 2. EU and UK | 6. Taiwan | 10. Australia |
| 3. Japan | 7. Thailand | 11. Hong Kong |
| 4. Korea | 8. India | 12. Indonesia |

Note: Mexico and Canada are usually in the top 3 trade partners with Southern California when including cross-border (international) rail and truck traffic.

CHALLENGES

- ✓ The **WITHDRAWAL FROM THE FREE TRADE AGREEMENTS** - 40 % of CA Exports are to FTA's (2019 data) - the Trans-Pacific Partnership (TPP 45% of U.S. exports) and the Transatlantic Trade and Investment Partnership (TTIP 20% of U.S. exports)
- ✓ **NAFTA** (Mexico & Canada are California's top export markets)
- ✓ **TARIFFS** affected every congressional district in the nation and threatened nearly 1.5 million American jobs
- ✓ **MISMATCH OF SUPPLY AND DEMAND** (escalated since the Trade War)

REGIONAL CHALLENGES AND COMPETITIVE THREATS TO SOUTHERN CALIFORNIA PORTS AND TRADE

- Federal trade policy does not reflect Southern California needs
- High costs of doing business – about 2 to 2.5 times higher to move a container over Southern California docks than at ports on the Southeast and East Coasts of the U.S.
- Loss of market share - 20% of the market share in the last 18 years is the equivalent to about 200,000 jobs a year and the tax dollars associated with those jobs.
- Discretionary cargo – between half to 2/3 of total cargo in Southern California
- Congestion, particularly outside the port boundaries
- Operational challenges - efficiency, 24/7 operations, densification, chassis, data sharing, trucking appointment system
- Air Quality
- Uncertainty
- The patchwork of different COVID-related requirements

COMPETING GATEWAYS FOR THE SOUTHERN CALIFORNIA GATEWAY

- ✓ **US EAST AND GULF COAST PORTS**
- ✓ **PANAMA CANAL**
- ✓ **SUEZ CANAL**
- ✓ **BRITISH COLUMBIA**
- ✓ **WEST COAST MEXICO**

All routes have new added capacity.

OPPORTUNITIES

- The United States-Mexico-Canada Agreement (USMCA replaced NAFTA in 2020), now includes digital trade
- Southern California Ports to diversify their trade markets
- The growth of ASEAN Economic Community (The Association of Southeast Asian Nations)
- Potential foreign trade growth with the European Union and UK (post BREXIT)
- The West Coast of the Americas: The Pacific Alliance (Mexico, Chile, Colombia, Peru, Costa Rica and Panama)
- Retailers are diversifying their supply chains
- E-commerce – online purchases surged more than 32%, from \$595 billion in 2019 to \$791.7 billion in 2020, and from 11% of total sales in 2019 to 14% in 2020.
- The trade war and pandemic highlighted the weaknesses in the supply chains – an opportunity to address them
- The West Coast Competitiveness Coalition

The committee would like to thank the following contributor to the Trade Fact Sheet:

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FUTUREPORTS

