



CALIFORNIA'S INTERNATIONAL TRADE

October 2004

➤ **California goods exports represent 13 percent of all U.S. goods exports.**

In 2003, California firms exported \$94 billion in goods, 13 percent of the U.S. total. As its export levels plummeted from a 2000 peak of \$119.6 billion, California lost its top-exporter rank to Texas in 2002. Estimates based on 1997 statistics (the latest data available) suggest that the value of California goods shipments to the rest of the United States is close to the value of its international exports.

➤ **Mexico is now the state's top export partner, surpassing Japan in 1999.**

In 2003, California goods exports to Mexico totaled almost \$14.9 billion, making it the state's top single-nation export destination (Figure 1), followed by Japan and Canada. China is the fastest growing among the state's top 10 export partners. Greater China (China, Taiwan, Hong Kong, and Macau) is likely to surpass Mexico in 2004.

➤ **Still at the top, exports of computer and electronic products have fallen dramatically.**

With a total of \$36.7 billion in 2003, California exports of computer and electronic products are still well ahead of the next two sectors, non-electrical machinery and transport equipment. Computer and electronic products exports surged from \$47.4 billion in 1997 to \$61.4 billion in 2000 but stayed at a constant 31 percent of all U.S. exports of these products. By 2003, however, the state's share had dropped to 24.5 percent of the U.S. total.

➤ **California agricultural exports are small compared to manufactured exports.**

Agriculture constitutes only a small portion of California goods exports – the best estimate for 2002 is \$6.5 billion, or only 7 percent of the total, compared to \$84 billion for manufactured exports.

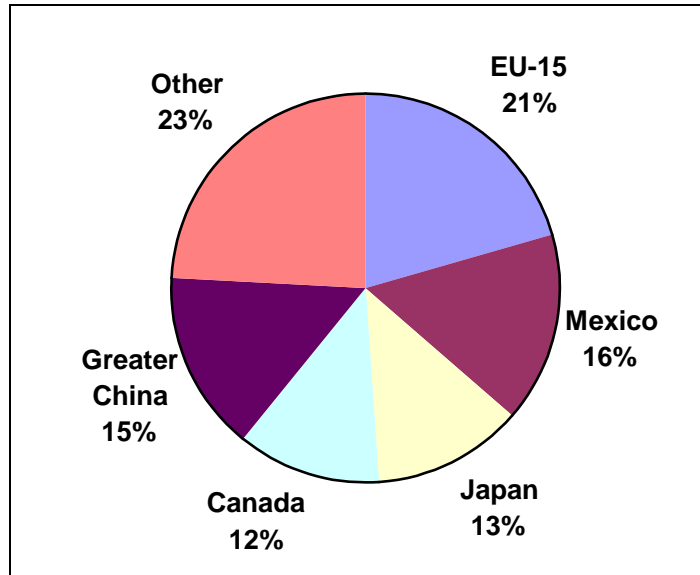
➤ **Exports of nondurable manufactured goods have grown the most since 1997.**

Between 1997 and 2003, California exports of nondurable manufactured goods grew 24 percent, from \$13.8 billion to \$17.1 billion (Figure 2). This was driven by growth in chemicals exports, which include pharmaceuticals.

➤ **California is a major exporter of services.**

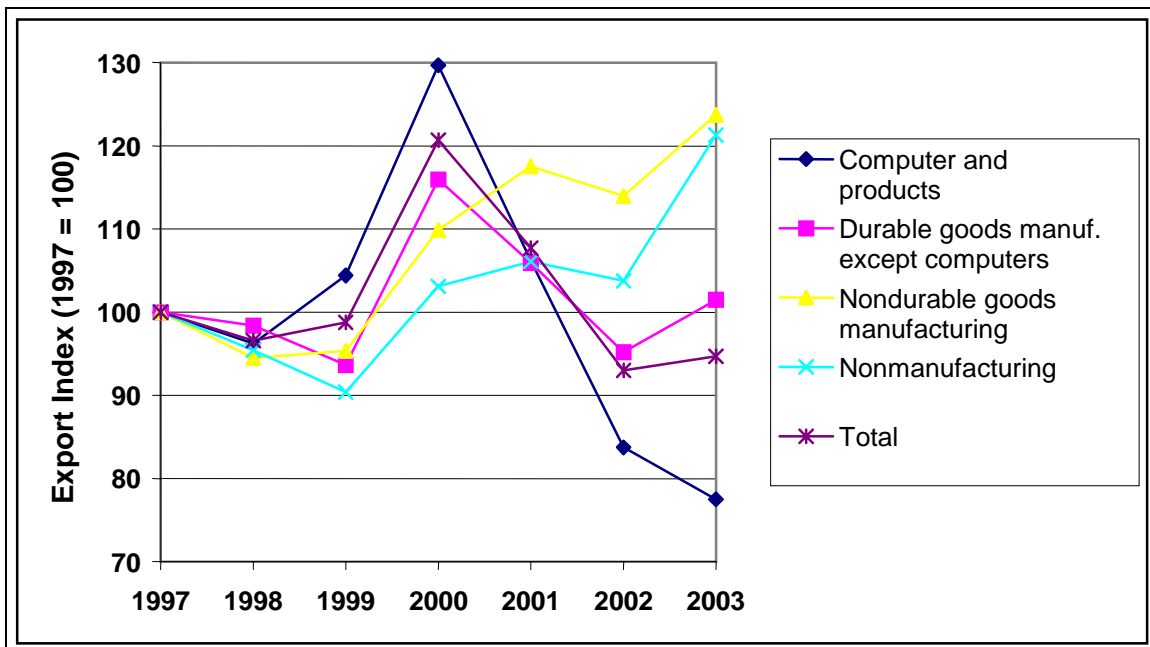
California exports an estimated 35 cents worth of services for each dollar of goods exports. Top services exports include travel, intellectual property, certain port and freight services, and selected other private services, such as research and development and film. In terms of the proportion of the private economy accounted for by services exports, California is higher than the rest of the United States.

Figure 1
The Distribution of California Exports, 2003



Note: Greater China includes China, Taiwan, Hong Kong, and Macau. The EU-15 includes the 15 members of the European Union before the accession of 10 new members in 2004.

Figure 2
Trends in California Exports by Sector, 1997 to 2003



Sources: World Institute for Strategic Economic Research (www.wisertrade.org); University of California Agricultural Issues Center (aic.ucdavis.edu); Howard J. Shatz, *Business Without Borders? The Globalization of the California Economy* (Public Policy Institute of California, San Francisco, 2003); U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Census Bureau; and Jon D. Haveman and David Hummels, *California's Global Gateways: Trends and Issues* (Public Policy Institute of California, San Francisco, 2004).