

## California Export Market Overview Major Trends & Potentials

**Maurice Kogon, Director, El Camino College CITD**

This Export Market Overview highlights major trends in California's exports over the past two years, by country and industry. California's comparative export performance vis-à-vis other States is also examined

### California Overall Export Trend Compared with Other States (Table 1)

- California's exports rose by 9.35% in 2006 and another 5.01% in 2007, to reach \$134.2 billion in 2007.
- California is the second leading export State after Texas, with 11.5% of U.S. total exports of \$1,162 billion in 2007. The other leading exporting States lag far behind the top two, including New York (6%), Washington (5.7%), Illinois (4.2%), and Florida (3.9%).
- However, while California's exports are increasing, other States are growing at far faster rates. In 2007, every one of the other top 11 States outpaced California's export growth by over 2:1

**Table 1  
U.S. Exports to All Countries, By State, 2005-2007  
In Rank Order by 2007 Value (In US\$)**

Description	2005	2006	2007	%2005 =2006	%2006 =2007	% Total 2007
<b>ALL STATES</b>	<b>904,379,818,171</b>	<b>1,037,142,972,794</b>	<b>1,162,708,293,437</b>	<b>14.7</b>	<b>12.1</b>	<b>100.0%</b>
1 Texas	128,761,036,151	150,888,054,964	168,164,440,482	17.2	11.5	14.5%
2 California	116,818,585,165	127,746,135,340	134,151,760,591	9.4	5.0	11.5%
3 New York	50,492,176,404	57,369,299,166	69,333,647,127	13.6	20.9	6.0%
4 Washington	37,948,360,874	53,074,909,007	66,258,480,342	39.9	24.8	5.7%
5 Illinois	35,868,406,183	42,084,595,133	48,730,156,421	17.3	15.8	4.2%
6 Florida	33,377,054,012	38,544,528,174	44,831,678,558	15.5	16.3	3.9%
10 New Jersey	21,080,304,895	27,001,734,586	30,462,503,875	28.1	12.8	2.6%
11 Louisiana	19,231,807,078	23,503,359,105	30,374,690,456	22.2	29.2	2.6%
12 Pennsylvania	22,270,841,318	26,333,930,898	29,126,894,132	18.2	10.6	2.5%

### California's Leading & Fastest Growing Export Markets (Table 2)

- **Leading markets:** By far the leading markets for California exports in 2007 were: **Mexico** (\$18.3 billion, 13.7% of total) and **Canada** (\$16.1 billion, 12% of total). Other significant markets (above \$5 billion) were: Japan (10%), China (7.9%), Korea (5.5%), Taiwan (4.3%), Germany (4.1%), and the UK (3.9%).
- **Fastest growing markets among top 25:** California exports increased at high rates in both 2006 and 2007 to Switzerland (+51.8% in 2007), Brazil (+26.6%), Germany (+22.4%), Sweden (+21.7%), India (+15.4%) and Canada (+13.6%). Other growth markets in both years were Italy (+9.2% in 2007), China (+6%) and Korea (+5%).
- **Declining markets among top 25:** After increases in 2006, California exports fell to Japan (-3.8%), Singapore (-7%), Malaysia (12.3%) and the Philippines (-11%)

## Gainers & Losers in California's Export Market Share (Table 2)

- **Top 25 countries where California gained market share in 2007:** California exports increased more rapidly than the U.S. total in Canada, China, Germany, Netherlands, France, Brazil, Switzerland and Sweden.
- **Top 25 countries where California lost market share in 2007:** California exports either declined or increased less rapidly relative to the U.S. total in Mexico, Japan, Taiwan, UK, Hong Kong, Singapore, Australia, Malaysia, and the Philippines.

**Table 2**  
**California Exports to Top 25 Countries, 2005-2007**  
**In Rank Order by 2007 Value (In US\$)**

Description	2005	2006	2007	%2005 2006	%2006 2007	%Total 2006	%Total 2007
<b>TOTAL ALL COUNTRIES</b>	<b>116,818,585,165</b>	<b>127,746,135,340</b>	<b>134,151,760,591</b>	<b>9.4%</b>	<b>5.0%</b>	<b>100.0%</b>	<b>100.0%</b>
1 Mexico	17,702,501,798	19,632,985,365	18,342,754,315	10.9%	-6.6%	15.4%	13.7%
2 Canada	13,212,515,734	14,194,028,221	16,122,782,466	7.4%	13.6%	11.1%	12.0%
3 Japan	13,497,848,365	13,983,522,870	13,452,169,984	3.6%	-3.8%	10.9%	10.0%
4 China	7,850,000,648	9,972,919,315	10,566,982,120	27.0%	6.0%	7.8%	7.9%
5 Korea	6,344,766,856	7,046,016,475	7,409,788,087	11.1%	5.2%	5.5%	5.5%
6 Taiwan	5,383,280,242	5,638,259,213	5,785,927,570	4.7%	2.6%	4.4%	4.3%
7 Germany	4,266,112,225	4,540,474,888	5,559,533,961	6.4%	22.4%	3.6%	4.1%
8 UK	5,029,138,979	5,062,805,549	5,216,528,275	0.7%	3.0%	4.0%	3.9%
9 Hong Kong	4,900,793,084	4,822,891,650	4,918,887,254	-1.6%	2.0%	3.8%	3.7%
10 Singapore	3,780,621,972	4,605,101,422	4,284,051,567	21.8%	-7.0%	3.6%	3.2%
11 Netherlands	3,622,356,407	4,041,816,963	4,077,220,988	11.6%	0.9%	3.2%	3.0%
12 Australia	2,465,534,894	2,812,776,392	2,821,420,551	14.1%	0.3%	2.2%	2.1%
13 France	2,691,905,948	2,435,016,717	2,718,046,400	-9.5%	11.6%	1.9%	2.0%
14 Malaysia	1,942,191,137	2,513,952,947	2,205,230,900	29.4%	-12.3%	2.0%	1.6%
15 Italy	1,439,575,296	1,873,240,938	2,044,023,026	30.1%	9.1%	1.5%	1.5%
16 Brazil	1,417,592,067	1,607,061,883	2,034,404,588	13.4%	26.6%	1.3%	1.5%
17 Belgium	1,758,906,215	1,885,996,180	2,026,240,120	7.2%	7.4%	1.5%	1.5%
18 Switzerland	982,398,174	1,302,484,093	1,977,011,036	32.6%	51.8%	1.0%	1.5%
19 India	1,341,482,006	1,689,239,770	1,949,615,615	25.9%	15.4%	1.3%	1.5%
20 Thailand	1,692,359,554	1,663,892,630	1,795,219,158	-1.7%	7.9%	1.3%	1.3%
21 Israel	1,448,223,044	1,550,443,000	1,741,793,705	7.1%	12.3%	1.2%	1.3%
22 Philippines	1,147,417,059	1,386,473,024	1,233,621,739	20.8%	-11.0%	1.1%	0.9%
23 Spain	974,941,140	1,000,848,685	1,076,874,912	2.7%	7.6%	0.8%	0.8%
24 Sweden	687,702,549	865,194,519	1,053,126,513	25.8%	21.7%	0.7%	0.8%
25 UAE	1,141,035,468	942,343,822	947,898,270	-17.4%	0.6%	0.7%	0.7%

### California's Leading & Fastest Growing Export Industries/Products (Table 3)

➤ **Leading export industries/products:** The top five California export sectors accounted for 61% of total exports in 2007, down from 64% in 2006. These were:

- **Electric Machinery (19% of 2007 total), primarily:** Electronic Integrated Circuits & Micro-assemblies, Parts; Electric Apparatus for Line Telephony Etc, Parts; Semiconductor Devices; Light-Emit Diodes Etc, Parts; and Prepared Unrecorded Media (No Film) For Sound Etc.
- **Industrial Machinery (22% of 2007 total), primarily Computers & Peripherals**
- **Optical, Photographic, and Medical Equipment (11% of 2007 total), primarily Medical, Surgical, Dental Or Veterinary Instruments; Optical Inst for Inspecting Semiconductor Wafers; and Orthopedic Appliances**
- **Aircraft & Aircraft Parts (4.8% of 2007 total)**
- **Motor Vehicles & Parts (4.6% of 2007 total)**

**Table 3  
California Leading Exports Industries, 2005-2007  
In Rank Order by 2007 Value (In US\$)**

	HS	Description	2,005	2,006	2,007	%2005 -2006	%2006 - 2007	%Total 2006	%Total 2007
		<b>TOTAL ALL COMMODITIES</b>	<b>116,818,585,165</b>	<b>127,746,135,340</b>	<b>134,151,760,591</b>	<b>9.4%</b>	<b>5.0%</b>	<b>100.0%</b>	<b>100.0%</b>
1	85	Electric Machinery	27,383,591,410	29,555,258,479	29,187,998,060	7.9%	-1.2%	23.1%	21.8%
2	84	Industrial Machinery,	24,211,526,777	25,944,194,107	25,028,535,391	7.2%	-3.5%	20.3%	18.7%
3	90	Medical Instruments	12,269,172,899	13,783,715,337	14,692,390,891	12.3%	6.6%	10.8%	11.0%
4	88	Aircraft & Pts	8,108,993,786	7,885,570,433	6,428,537,081	-2.8%	-18.5%	6.2%	4.8%
5	87	Motor Vehicles & Pts	3,870,470,788	4,573,778,400	6,217,582,966	18.2%	35.9%	3.6%	4.6%
6	8	Edible Fruit & Nuts	4,353,043,931	4,552,064,979	4,833,161,919	4.6%	6.2%	3.6%	3.6%
7	39	Plastics & Articles	3,031,669,748	3,231,868,946	3,605,493,600	6.6%	11.6%	2.5%	2.7%
8	30	Pharmaceuticals	2,079,483,136	2,808,826,250	3,356,286,778	35.1%	19.5%	2.2%	2.5%
9	71	Pearls, Precious Stones	2,059,218,252	2,426,785,201	2,999,682,824	17.8%	23.6%	1.9%	2.2%
10	27	Mineral Fuel, Oil Etc.	1,666,063,117	1,983,612,331	2,779,290,443	19.1%	40.1%	1.6%	2.1%
11	72	Iron And Steel	1,324,374,279	1,403,819,608	2,122,210,281	6.0%	51.2%	1.1%	1.6%
12	38	Misc Chemical Prods	1,629,561,773	1,808,414,730	2,118,563,396	11.0%	17.2%	1.4%	1.6%
13	95	Toys, Games, Sport Eq	1,143,959,540	1,361,409,995	1,639,226,573	19.0%	20.4%	1.1%	1.2%
14	76	Aluminum & Articles	1,025,560,153	1,421,924,966	1,487,791,809	38.6%	4.6%	1.1%	1.1%
15	73	Iron or Steel Articles	930,317,199	1,222,298,540	1,414,055,671	31.4%	15.7%	1.0%	1.1%
16	98	Special Classification	1,713,317,422	1,361,904,121	1,330,843,473	-20.5%	-2.3%	1.1%	1.0%
17	21	Edible Preparations	1,207,013,771	1,460,647,971	1,226,751,490	21.0%	-16.0%	1.1%	0.9%
18	47	Pulp & Paper Products	673,764,048	886,093,861	1,172,671,422	31.5%	32.3%	0.7%	0.9%
19	22	Beverages, Spirits	783,325,844	1,001,978,327	1,102,361,182	27.9%	10.0%	0.8%	0.8%
20	7	Edible Vegetables	909,506,196	990,237,446	1,090,873,147	8.9%	10.2%	0.8%	0.8%
		<b>Subtotal Top 20</b>	<b>100,373,934,069</b>	<b>109,664,404,028</b>	<b>113,834,308,397</b>	<b>9.3%</b>	<b>3.8%</b>	<b>85.8%</b>	<b>84.9%</b>
		<b>Other</b>	<b>16,444,651,096</b>	<b>18,081,731,312</b>	<b>20,317,452,194</b>	<b>10.0%</b>	<b>12.4%</b>	<b>14.2%</b>	<b>15.1%</b>

- **Fastest growing export industries/products:** The California exports that increased in both 2006 and 2007 were:

	<b>%Change 2005-2006</b>	<b>%Change 2006- 2007</b>
Medical Instruments	12.3%	6.6%
Motor Vehicles & Pts	18.2%	35.9%
Edible Fruit & Nuts	4.6%	6.2%
Plastics & Articles	6.6%	11.6%
Pharmaceuticals	35.1%	19.5%
Pearls, Precious Stones	17.8%	23.6%
Mineral Fuel, Oil Etc.	19.1%	40.1%
Iron And Steel	6.0%	51.2%
Misc Chemical Prods	11.0%	17.2%
Toys, Games, Sport Eq	19.0%	20.4%
Aluminum & Articles	38.6%	4.6%
Iron or Steel Articles	31.4%	15.7%

- **Declining export industries:** California's exports of Aircraft and Parts declined in both 2006 and 2007. After increasing in 2006, exports that declined in 2007 are shown below:

	<b>%Change 2005-2006</b>	<b>%Change 2006- 2007</b>
Aircraft & Pts	-2.8%	-18.5%
Electric Machinery	7.9%	-1.2%
Industrial Machinery,	7.2%	-3.5%