

Developing New Exporters

AAPA Maritime Economic Development Workshop February 20, 2014



What is the Value of Exports through the Ports of LA, LB & LAX Airport ?

- \$127 Billion in 2013 (+4.63 %)
- This is an Export Record
- But Imports still dominate with a total value of \$ 288 Billion !



Why are Exports Important for Southern California ?

- We are still the largest manufacturing center in the U.S.
- But we can't rely on domestic consumption for sustainable long – term recovery
- Exports provide market diversification
- Exports are an engine for creating employment & economic development



Why are Exports Important for the Port of LA ?

- Container ship sizes are growing rapidly
- The most efficient / economic use of ships, containers & port equipment is with balanced loads
- But container ships leave the Port of LA approximately 50 % empty !



What are Export Advantages for the Southern California Cargo Gateway ?

- Major Pacific Rim markets directly accessible by sea & air trade routes
- Extensive Rail & Road Network
- Competitive Transit Times



Other Cargo Gateway Advantages

- ✓ Most numerous & frequent sailings to & from Asia,
 - + 80 Sailings per Week to the Pacific Rim
- Greatest number of Origin & Destination Ports of Call
- ✓ 13 Container Shipping Lines
- Equipment Availability
- ✓ Greatest number of logistics & distribution centers in the U.S. (1.2 billion sq. ft. within 80 miles of the Port)
- ✓ First Class rail links to 14 regional U.S. markets
 ✓ Foreign Trade Zone



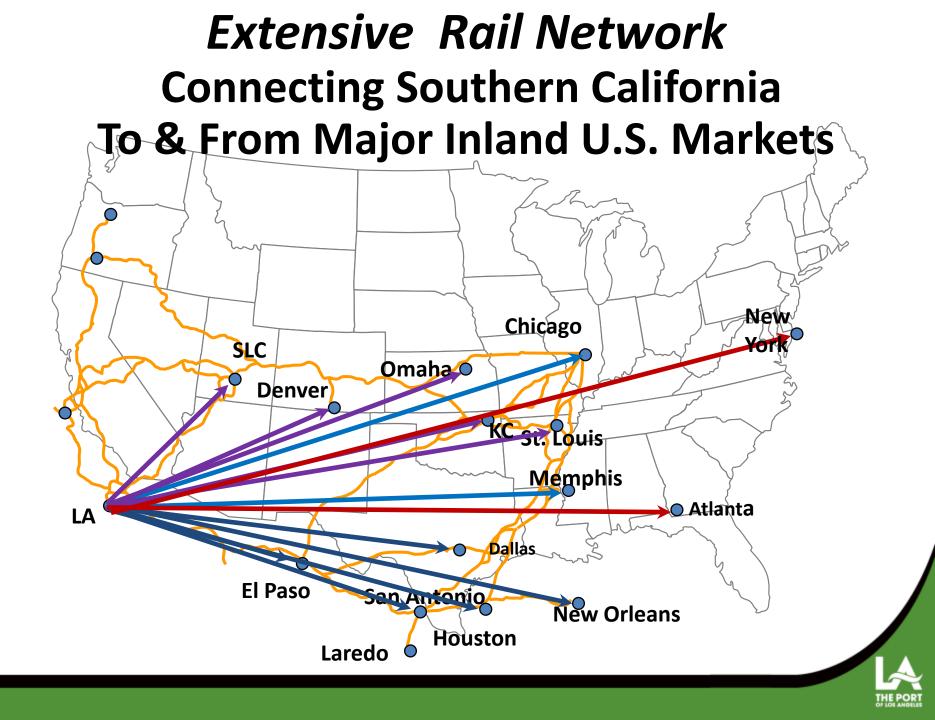
Other LA Cargo Gateway Advantages

- The Number 1 Customs District in the U.S.
 - (\$414 Billion in 2013)
- \checkmark International trade is LA's largest employment sector
- Huge number of specialized service companies with talented professionals with linguistic skills, international links & multi - cultural understanding
- ✓ Largest concentration of manufacturing in the U.S.
- \checkmark 1000 flights per day at LAWA with air cargo capacity
- ✓ 100 trains per day to & from LA/LB Ports
- ✓ LA/LB Ports handle 1/3rd of total U.S. global trade



Competitive Transit Times





LA Customs District: Top Trading Partners

(2010 Sea & Air Cargo Value)

•	China	\$144.34 billion	+ 25 %
•	Japan	\$ 39.55 billion	+ 23 %
٠	S. Korea	\$ 21.57 billion	+ 37 %
٠	Taiwan	\$ 13.90 billion	+ 27 %
•	Thailand	\$ 9.47 billion	+ 18 %
•	Australia	\$ 7.71 billion	+ 8%
•	Singapore	\$ 7.49 billion	+ 15 %
•	Vietnam	\$ 7.49 billion	+ 27 %
•	Germany	\$ 7.35 billion	+ 28 %
•	Malaysia	\$ 7.07 billion	+ 1%
•	Indonesia	\$ 6.75 billion	+ 24 %
•	Hong Kong	\$ 6.66 billion	+ 21 %
•	India	\$ 5.71 billion	+ 51 %



LA Customs District: Top Exports

(2012 Sea & Air Cargo Value: Billions of Dollars)

1.	Civilian Aircraft	\$ 121	8. Steel & Iron Scrap	\$ 2.1
	& Parts		9. Computers	\$ 2.
2.	Diamonds	\$ 5.4	10. Vehicle Parts	\$ 1.8
3.	Cotton	\$ 3.	11. Copper Scrap	\$ 1.4
4.	Motor Vehicles	\$ 3.1	12. Machinery Parts	\$ 1.3
5.	Medical & Dental	\$ 2.4	13. Almonds & Nuts	\$ 1.3
6.	Cellular Equip.	\$ 2.4	14. Military Aircraft	
7.	Computer Chips	\$ 2.3	Parts	\$ 1.2

Emerging Strategic Advantages

- ✓ US Korea Free Trade Agreement benefits Southern California more than any other region in the U.S.
- Colombia & Panama Free Trade Agreements have created a new vertical axis of FTA's along the West Coast of the Americas from the Arctic to the Antarctic:
 - LA is the largest sea & air hub along that axis
- ✓ The Trans Pacific Partnership (TPP) FTA currently under negotiation will join 12 Pacific Rim countries with 40 % of global output
 - Southern California will be the largest U.S. beneficiary
- ASEAN (South East Asian) region has robust growth that will benefit Southern California



What are the Export Challenges for the LA Cargo Gateway ?

- Infrastructure
- Productivity
- Cost
- Education



Why is Export Education Needed ?

- 85 % of California Manufacturers don NOT export
- 95 % of consumers are projected to be outside the U.S. in the coming decade
- 80 % of economic growth will be outside the U.S. in the coming decade
- Exports will be a driver for the Next Economy
- But many local companies have several "fear factors"; what are they ?



Why is Export Education Needed ?

- Many local companies have several "fear factors"; what are they ?
- How do I get paid ?
- How do I find reliable customers ?
- Which country should I start with ?
- Is someone going to steal my ideas ?
- I don't have staff to do the documentation !



I. BASIC TRADE CONNECT PROGRAM



II. Trade Connect (Intermediate – 201/301)

Examples:

- Trade Finance & Insurance
- Documentation
- Protection of Intellectual Property
- Risk Mitigation Techniques
- Cultural & Business Customs in different countries



III. Specialized Products and Commodities Programs

Examples:

- Green Exports

 (Partner: U.S. EXIM Bank)

 Marine Tech (Partners: HAIC &

 U.S. Department of Commerce)

 Fashion & Apparel (Partners: CFA & U.S. Department of Commerce)
 Food and Ag Products (Partner:
 - CalAgX Specialty Crops CITD Fresno & U.S. Dept. of Agriculture)





Trade Shows Commodity & Product Specific

TREDECONNECT customic Agricultural Export Indexing Regram converg to your arree Going Global?

Classes starts March 8, 2012

U.S.-JAPAN GREEN CONFEREN BENJAMIN S. COLUMINOOD

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Market Development Market SAMYO Eterrory 81

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Participation fac: 5554.00 USD per company Proce excludes surface, hotel, and travel costs which are the advisional responsibility of each participant)

DOITIONAL OPPORTUNITIES Batman-matching meeting arranged by HKTDC (\$390 error per

company) Upon request, networking reception organized by HETDC for U.S. companies to users foreign burves (locket price TBD) Galarito action to Shanihen mcloding travel and food (3.20 entro p



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IV. Major & Emerging Market Programs

Examples:

- Vietnam
- Indonesia
- Singapore
- Malaysia
- Philippines
- & West Coast of Central & South

America



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