International Trade & Investment Strategy

November 2019

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California Governor's Office of Business and Economic Development
California Leads the Nation in Trade

Two-Way Trade

#1 Ag Exports

#1 Electronics Exports

#1 Machinery Exports

US Census Bureau – USA Trade
Investment in California Supports Jobs

#1

Jobs Supported by FDI

6M Jobs in the Rest of U.S. (89%)

769K California Jobs (11%)

SelectUSA: U.S. Jobs directly supported by majority foreign-owned affiliates, July 2009 – June 2019

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Trade and FDI Matter for ALL Californians

$168B in Goods Exports

$440B in Goods Imports

$27B in FDI

5.4M

CA Jobs
Supported by Trade and FDI

U.S. Census Bureau: Total California Exports (2018)
U.S. Census Bureau: Total U.S. Imports to California (2018)
Bureau of Economic Analysis: New Foreign Direct Investment in the United States: 2018
Trade Supports Middle-Class Jobs

Class A Truck Driver
Hayward, CA
$80K / Year

Longshoreman
Long Beach, CA
$125K - $185K / Year

Logistics Manager
Fresno, CA
$75K / Year

The Mercury News: Blue-collar dream job: 3 percent of applicants picked in lottery June 2nd, 2017
Glassdoor.com: Truck Driver Salaries
Indeed.com: Logistics Managers Salaries
FDI Projects in CA Span Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; IT</td>
<td>711</td>
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<tr>
<td>Business Services</td>
<td>325</td>
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<tr>
<td>Communication</td>
<td>194</td>
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<tr>
<td>Financial Services</td>
<td>175</td>
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<tr>
<td>Textiles</td>
<td>168</td>
</tr>
<tr>
<td>Other</td>
<td>1017</td>
</tr>
</tbody>
</table>
Why Companies Choose California

- Shared Values
- Unrivaled Diverse Talent Pool
- Innovation & Leadership
California – World’s 5th Largest Economy

Fortune.com – California is 5th biggest Economy; Passes UK
California – A Healthy, Diverse Economy

Real estate 17%
Professional Services 13%
Government 12%
Manufacturing 11%
Information 10%
Healthcare 6%
Wholesale trade 5%
All Others 26%
California – Growing Faster than U.S.

California: 3.2% annualized growth over 20 years

United States: 2.3% annualized growth over 20 years

U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, March 29, 2019
California – Growing Faster than States

U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, March 29, 2019
California – Growing Faster than Countries

U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, March 29, 2019

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Leading Companies Choose California

**Fortune 500**
- VISA
- Google
- Intel
- Apple
- HP
- CISCO

**Consumer**
- MATTEL
- Levi's
- Clorox
- Walt Disney

**Manufacturing**
- SPACEX
- Applied Materials
- Western Digital
- Specialized
Next Gen Companies Choose California

**Biosciences**
- 23andMe
- illumina
- GILEAD
- Amgen
- Genentech

**Technology**
- lyft
- DOLBY
- Oracle
- Salesforce

**Media**
- hulu
- Roku
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Top VC-Backed Companies

Didi Chuxing
WeWork
Airbnb
SpaceX
Palantir
Stripe
Lufax
DJI
Grabtaxi
Instacart

Non-California
California

The Wall Street Journal; The Billion-Dollar Startup Club; Accessed August 12th, 2019
Top 2019 IPOs Headquartered in California

- Beyond Meat
- Cortexyme
- Pinterest
- Slack
- Uber
- Zoom
- SilkRoad Medical
- Lyft
California – World-Class Higher Education
California – World Class Higher Education
Dream Big: Environmental Leadership Translates to Business Success

- **#1 Renewable Energy**: 97k GW*h in 2017, 14% of Nation’s Total
- **#1 ZEV Exports**: $3B of Exports in 2018, 7x Rest of U.S.

U.S. Census Bureau – Foreign Trade Statistics, CA
“Electric Power Monthly, February 2018” (PDF), Energy Information Administration (EIA) U.S. Department of Energy

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World’s Largest Thin Film Solar PV Project

Desert Sunlight Solar Project
550 MW
Riverside County, CA
World’s Largest Solar Thermal Power Plant (Tower)

Ivanpah Solar Thermal Project
393 MW
San Bernardino County, CA
World’s Largest Solar Thermal Power Plant (Trough)

Solar Energy Generating System (SEGS)
354 MW
San Bernardino County, CA
World’s Largest Geothermal Power Plant

Geysers Geothermal Power Plant
955 MW
Lake County, CA
World’s Largest Wind Project

Alta Wind Energy Center
1550 MW
Kern County, CA
World’s Largest Solar Rooftop

Apple HQ
Cupertino, CA
17MW
World’s 2\textsuperscript{nd} Largest Lithium-Ion Battery Storage Project

Escondido Storage Project
120 MWh
San Diego, CA
More Californians Work in Solar Industry Than All Utilities Combined

Solar Jobs
SDG&E: 86,400
PG&E: 56,800
SCE: 8,000
POU: 3,200

IOU/POU Jobs
Some Challenges
California – Infrastructure Can Improve

American Society of Civil Engineers Report Card

- Bridges: C-
- Roads: D
- Transit: C-
California Has a Housing Affordability Issue

California Home Cost Index

California Rent Cost Index

California Per Capita Income

U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, March 29, 2019
CA Has Lost Ground in Export Growth

CA Census Bureau – USA Trade
California’s FDI Share has Declined

- 2014: 19.4%
- 2015: 9.2%
- 2016: 9.2%
- 2017: 9.2%
- 2018: 9.2%

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Other States Have Upped Their Game

U.S. JOBS
Supported by FDI:

- 200-600 thousand
- 100-200 thousand
- 75-100 thousand
- 25-75 thousand
- 5-25 thousand

SelectUSA, Bureau of Economic Analysis
GO-Biz International Initiatives

Powering Jobs…
Empowering Communities
GO-Biz Team – Increased Capacity

**Current Staff**

Senior Advisor – Bud Colligan

Deputy Director – Max Oltersdorf

CA Trade & Investment Rep – Americas – Carlos Valderrama

Special Advisor for Trade – Diana Dominguez

Special Advisor for Investment – Emily Desai

International Analyst – Maria Onorato

**Coming Soon**

CA Trade & Investment Rep - Asia – TBH 2019

CA Trade & Investment Rep - Europe – TBH 2019
International Dream Team

Lieutenant Governor’s Office
Lieutenant Governor – Ambassador Eleni Kounalakis
Chief of Staff – Panorea Avdis
International Advisor – Evan Reade
Communications Advisor – Michelle Reynolds

Governor’s Office
Deputy Cabinet Secretary – Jamie Callahan
Director of Protocol – Becca Prowda
Director of External Affairs – Priscilla Cheng
International Objectives

1. Grow CA exports and improve export development
2. Ensure CA receives a greater share of FDI than its percent of GDP
3. Improve national, state, local and private sector partnerships
4. Support trade infrastructure partners to improve flow of goods
5. Communicate more effectively with all constituencies
6. Leverage state efforts to reach goals
1. Grow CA Exports

Organize statewide export training and cohort development to build pipeline of exporters

Develop country export plans and work with partners to implement, leveraging STEP program

Staff region trade specialists to provide export assistance to EDOs and SMEs
2. Use California’s Strengths to Grow FDI

- Emphasize leadership in cleantech and renewable energy to draw new investment
- Utilize country plans & USCS for FDI lead generation
- Support of EB-5 and EB-2 programs
Energize CA/U.S. Programs to Grow FDI

SelectUSA & SelectCA Summits in new cities

Attract investment in underserved areas

Attract FDI using CalCompetes tax credits
3. Improve CA Partnerships at All Levels

- Local/County Government
- Local/Regional EDOs
- National Trade & FDI Support
- Private Sector
4. Support Trade Infrastructure Partners

- Advocate for direct international flights to/from CA airports
- Support port infrastructure improvements
- Connect rural areas to existing trade infrastructure
5. Improve Communications Across Channels

- Upgraded international website; entire GO-Biz website to be upgraded at YE
- Monthly International Newsletter on statewide international info and trade missions
- Monthly conference calls with EDO partners to increase collaboration and best practice sharing
6. Leverage State Efforts to Reach Goals

Utilize VISIT CA & CA GROWN branding & footprint

Support California’s Sustainable Freight Action Plan

Maximize Interagency Council to coordinate all CA agencies
Open to the World

Powering Jobs...
Empowering Communities

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