Trade and the Economy: Economic Impacts of Maritime activities in the San Francisco Bay Area

Dr. Sean Randolph
Bay Area Council Economic Institute
INTERNATIONAL TRADE IN THE SAN FRANCISCO BAY AREA

- Fourth-largest exporting region in the U.S.
- $54 billion in exports in 2013, 36% of California’s exports
- Trade supports 380K jobs in the region, 200K in direct production.
- 95% of exporters are small and medium businesses
- The region is becoming more export-oriented, as global sales grow relative to domestic sales.
COMPOSITION OF REGIONAL TRADE

- Exports led by technology: $25 billion in 2013.
- Region a major outlet for agricultural exports from the Central Valley.
- Primary export destinations are in Asia.
- Airports move highest value goods (semiconductors, pharmaceuticals, perishable agriculture), ports the highest volume (electronic products, consumer goods, scrap paper and metal, agriculture, automobiles.)
PORT OF OAKLAND

• Fifth largest container port in the US and third largest in CA after LA and Long Beach.

• Handled 16.8 million tons of goods in 2013.

• Measured by weight is one of the few container ports in the US that exports more than it imports (62% vs 38%). When measured by value, however, its imports substantially exceed its exports.

• Directly supports 73K jobs, $41B in two-way trade.
BUSINESS IMPACTS

- Demonstrated during the recent West Coast port slowdown/shutdown.

- Best estimate available suggested total cost of a 5 day shutdown of $670 million per day, increasing sharply after that to as much as $2 billion after 20 days.

- Distribution of costs: Ocean carriers: ships at anchor, crew costs, fuel costs, insurance, loss of revenue for goods not transported. Terminals: truckers, longshoremen, warehouses, tugboats, pilots, consolidators, trains, and terminal operators. Importers and Exporters.

- Largest impacts felt by businesses (many small) that depend on maritime trade to move their goods.
ISSUES OF CONCERN

- Roadway congestion (I-580)
- $500 billion deficit in California infrastructure finance: public-private partnerships offer an alternative financing method.
- State and local trade support services (California China Office, Bay Area Council China Offices, US Commercial Service) add value
- New trade agreements - TPP, TTIP, TPA - matter
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BACEI@bayareacouncil.org
www.bayareaeconomy.org