

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

Trade and the Economy

Dr. Sean Randolph

Bay Area Council Economic Institute

BACEI@bayareacouncil.org

www.bayareaeconomy.org

