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June 8, 2010*

California Trade data continue to reveal a strengthening that initially occurred late last year. First quarter container loadings, inbound plus outbound at Los Angeles and Long Beach Ports, were up 14.6 percent from the prior year.

California's 2010 first-quarter exports were up 44 percent from the prior year, following a 29 percent year-on-year increase in 2009 quarter four. Both non-manufacturing and manufacturing exports were strong. (Manufacturing represents 87 percent of California's exports). Manufacturing exports were 35.3 percent greater last quarter than the previous year, while non-manufacturing exports were up a whopping 155 percent.

China is a not insignificant destination for California exports, representing eight percent of California's trade outflows, and exports to China are growing smartly. California's first-quarter exports to China were up 77 percent over the previous year. This follows a 69 percent year-on-year rise in 2009 quarter 4.

While neither trade nor manufacturing create massive numbers of jobs, they do have large multipliers and they have both seen impressive improvements in the last six months. We expect these gains will continue. However, trade and manufacturing's economic impacts are more of a boost to GDP than jobs, as these sectors are technology intensive.