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Record Exports at The Port of L.A.

In an industry where a major seaport's success is traditionally measured by container volumes in the millions and revenue in tens of millions, one number for the Port of L.A. may be more revealing of than any other.

Two.

As recently as 2008, imports at San Pedro Bay outpaced exports by more than 3-to-1. But in January, the ratio had shrunk to a little more than 2-to-1. This is a ratio more in line with the economic hopes and dreams of leading economists, U.S. exporters and policymakers, alike.

Since the onset of the global recession, few industries have been hit as hard as the shipping industry. That is why news of a 14.5% increase in 2011 exports over the previous year at the Port of Los Angeles is refreshing and two consecutive years of record exports makes the news even more encouraging. In fact, January's volume broke a record for the Port set during the height of a global economic boom, in 2007.

The boost in export activity is encouraging for a number of U.S. sectors – from manufacturing and agriculture, to scrap metal and scrap paper exporters. The positive trend is especially welcomed in light of the trade imbalance that has long plagued the U.S. economy. So why is the Port of L.A. breaking records? The answers can be found in several areas.

First, in the shipping industry, it takes money to make money and for the past decade the Port of L.A. has been making the significant investments necessary to help its terminal operators provide excellent service and to enhance its strategic position as the most connected gateway in North America.

"We're fortunate to have stronger year-over-year results in 2011 but we are not resting on our laurels as the nation's premier trade gateway," said Los Angeles Mayor Antonio Villaraigosa. "That's why we are investing \$1.5 billion in capital improvements over the next five years. That investment will help create more than 20,000 construction jobs and keep infrastructure at the Port of Los Angeles unparalleled as we face a new competitive landscape."

Second, while China has become an exporting powerhouse, exports to China, India and much of Southeast Asia through America's largest trade gateway have grown dramatically. Exports to India alone grew 51% last year and with direct service, Vietnam now ranks among the top ten in trade volumes.

The slow but steady rise in the Chinese Yuan has also certainly helped, making foreign-made goods less expensive for the Chinese buyers.

"China and much of Southeast Asia need a lot of what the U.S. has, and with a stronger Yuan, no port is better positioned and equipped than Los Angeles to facilitate that trade," says Jim MacLellan, the Port of L.A.'s Director of Trade Development. "China and other countries throughout that region of the world are not only heavy importers of recycled metals and scrap paper, but they're also importing high-value goods such as cars, aviation parts and medical technologies that they need to drive their own economies."

In addition to infrastructure investments and shifting markets, the third export driver is unconventional for a port and increasingly important – marketing and education.

While the U.S. remains the world's largest economy, only 15% of U.S. companies are involved in international trade. In effort to grow that number, the Port of Los Angeles developed Trade Connect, a multi-faceted program designed to help companies of all size understand, establish and expand their offerings overseas.

"95% percent of the world's consumers are outside of the United States," says MacLellan. "Unfortunately, many organizations are intimidated by the import/export process. So we work closely with municipalities and pro-business organizations throughout the region to help companies understand the opportunities and guide them through the process."

According to MacLellan, Trade Connect is currently focusing on promoting trade in an array of strategically targeted industries including food & beverage, machinery, chemicals/pharmaceuticals, electronics, aerospace, medical equipment, green technologies and fashion & accessories.

For example, Trade Connect is in the process of developing a six-part class for produce growers, focusing specifically on specialty produce. "Almond paste is an important pastry component throughout the world," says MacLellan. "California grows 80% of the world's almonds, so we're working closely with the industry to get more almonds, along with more of everything that California grows, to the rest of the world."

To learn more about the Port of L.A.'s Trade Connect program, go to <http://www.portoflosangeles.org/business/trade.asp>.