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LAEDC's ANALYSIS OF TOP EXPORT BUSINESSES 2002 IN SOUTHERN CALIFORNIA

ALL THEY DO IN L.A. IS MAKE MOVIES! WRONG!

That's the common myth, but it is wrong according to new data compiled by the Los Angeles County Economic Development Corporation (LAEDC). In their latest ranking of top "export" industries for the five-county area, based on 2001 annual employment, the leaders are "business & professional management services," tourism, health sciences-bio-medical, direct international trade, and wholesale trade (not including apparel, autos, furniture and toys).

An export industry is one that provides a good or service that is sold outside the region, thus bringing new money into the economy. Employment is used as the measurement, because it is the best measure of comparison as dollar volumes for some activities are difficult to interpret.

What about the movie industry? It is important in Southern California, but with 261,300 workers, it places seventh on the LAEDC roster generating \$31 billion in revenue annually. "The movies are certainly what LA is known for, and we continue to entertain the world," said Jack Kyser, Chief Economist for the LAEDC. "However, the rest of the export business base for Southern California is a remarkable story on its own as it continues to spin out new industries."

Any big news for 2001? The tourism industry has moved into second place in the LAEDC ranking, with average employment of 508,300 in 2001. This is a strong showing considering the blow the industry took as the result of the September 11th attack. The outlook for 2002 is better according to the LAEDC. People are traveling again, and there will be some interesting things to see and do in Southern California. Disney's California Adventure is getting some new attractions, and Los Angeles will be the only U.S. location for a major exhibit on Andy Warhol (at the Museum of Contemporary Art). Some new shopping venues are also generating interest, including the Grove at Farmer's Market and Hollywood and Highland. In addition, the Los Angeles Convention and Visitors Bureau and LAEDC are reaching out to the important Japanese tourist market to get them traveling again.

"Some people might be surprised by the first place ranking of business and professional management services," observed Kyser. "But again, the Los Angeles area can surprise you." In the Engineering News Record roster of the top 500 design firms in the nation, 27 are headquartered in the five-county area. And thanks to the Japanese auto industry, Los Angeles has a thriving advertising sector.

The LAEDC roster found 277,600 people employed in technology/aerospace in Southern California, again dispelling a myth that "all the aerospace went away." While the number of assembly lines is reduced, the region is still a leader in advanced flight and technology. For example, the Global Hawk unmanned aerial vehicle was designed and built in the region.

"The export business base of the Los Angeles five-county area offers lots of potential for future growth, but it requires attention," added Kyser. "Because of the diversity and cutting-edge industries, it is the first stop for states seeking to build their economies."

For a copy of the Economic Base of Southern California Table, please e-mail your request to research@laedc.org.

The LAEDC is a private non-profit organization. As the premier business leadership organization, the LAEDC's mission is to attract, retain and grow businesses and jobs in the regions of Los Angeles County, as well as identifying trends and affecting positive change for the local economy. Since 1995, the LAEDC has helped in the creation of 56,632 jobs from 278 projects. The economic impact of those jobs translates into \$1.9 billion in salaries and more than \$222 million in tax revenue generated to support schools and local government in the LA County region annually.

[LA County's 16 Top Industries](#)

The LAEDC is a private, non-profit organization whose mission is to attract, retain and expand business and jobs in the region. It provides economic and industry forecasts as well as strategic consulting in trade, infrastructure, logistic and land use. The LAEDC Business Assistance Program works one-on-one with businesses throughout the county. Visit www.laedc.org.

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