



LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION



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News Release

FOR IMMEDIATE RELEASE: Wed., Feb. 16, 2011

LAEDC Report Says Southern California, California, U.S. Economic Recovery is Underway, Stronger Growth in '12

*In L.A. County, international trade, entertainment and tourism leads regional economy.
A separate report shows striking economic and personal ties with Japan.*

Los Angeles — The economic recovery is under way led by increased international trade and growth in the high-tech sector, entertainment and tourism, according to the **2011-2012 Economic Forecast and Industry Outlook** report released today by the Kyser Center for Economic Research at the Los Angeles County Economic Development Corporation (LAEDC).

The Los Angeles economy “appears to be past the bottom of the recession and is starting up the recovery path during 2011 and 2012,” said LAEDC Chief Economist Nancy D. Sidhu, Ph.D. “Many industries are back in the black and employment is rising in some areas.”

Imports and exports have rebounded around the world. Increased international trade activity in 2011 will benefit the ports of Los Angeles and Long Beach, which both posted strong years in 2010. Hiring is also expected to grow as well for the region’s tourism and entertainment sectors as a result of increased filming and more visitors to the region, helped by the new convention center hotel at L.A. LIVE.

However, there is little likelihood the housing sector will escape another difficult year, even though 2011 is expected to bring some improvement. Housing activity will only see incremental improvement even though it has improved from the 2009 lows.

California, which had the second highest unemployment rate in the country in 2010 at 12.5 percent, will see employment growth in 2011. However, much like the national picture, California’s jobless rate will remain relatively high, with the LAEDC forecasting an average unemployment rate of 12.1 percent this year and the rate coming down to 11.5 percent by next year.

“We project that the California and U.S. economies will grow moderately in 2011 and 2012,” said Sidhu. “But the recession was so deep, 2011 won’t feel all that good despite improvements in most industries. However, the state is headed in the right direction, and the economy will seem even better by 2012.”

The U.S. unemployment rate, currently at 9.4 percent, is forecast to decline to 9 percent in 2011 and reach the low eights in 2012. Gross domestic product is picking up, although moderately, while interest rates are expected to rise in 2012.

Overseas, LAEDC economists see a two-speed recovery where advanced economies experience moderate growth in 2010 while emerging and developing economies experienced very robust growth. Emerging Asia will continue to lead in the global recovery in 2011, albeit at a somewhat slower pace. China and India have experienced outstanding economic growth as they also led the global recovery in 2010.

***Growing Together* report highlights L.A. County's personal and economic ties with Japan**

The LAEDC also released a separate, new report, “**Growing Together – Japan and Los Angeles County**”. The report describes many of the close ties that have developed between Los Angeles County and Japan, the number one source of foreign direct investment into L.A. County.

U.S. – Japan trade has increased dramatically over the past 50 years jumping from \$3.2 billion to \$211 billion at its peak in 2000. Japan is the second largest trading partner of the Los Angeles Customs District with the ports of Los Angeles and Long Beach together handling nearly 25 percent of total trade between Japan and the U.S. The report also documents the growing importance of foreign direct investment in this relationship, reviewing both investments made by Los Angeles area business firms in Japan and Japanese investments in Los Angeles County.

To discuss their investments made in the region, the LAEDC's Economic Forecast event held at the Los Angeles Marriott on Feb. 16 features a panel of speakers from well-known Japanese companies. Representatives from Honda Motors, Union Bank and Yakult, makers of probiotic beverages, will discuss the significant impact of Japanese companies on the L.A. County economy. For more information about the Forecast, visit www.laedc.org.

About LAEDC (www.LAEDC.org)

The Los Angeles County Economic Development Corporation (LAEDC), the region's premier economic development organization, is a private, non-profit organization established in 1981. Its mission is to attract, retain, and grow businesses and jobs for the regions of Los Angeles County. Since 1996, the LAEDC has helped retain or create more than 163,500 jobs, providing \$8 billion dollars in annual economic impact and more than \$136 million dollars in annual tax revenue to support local government and schools.

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