

Overview of the California Economic Landscape

Victoria Bradshaw

Secretary

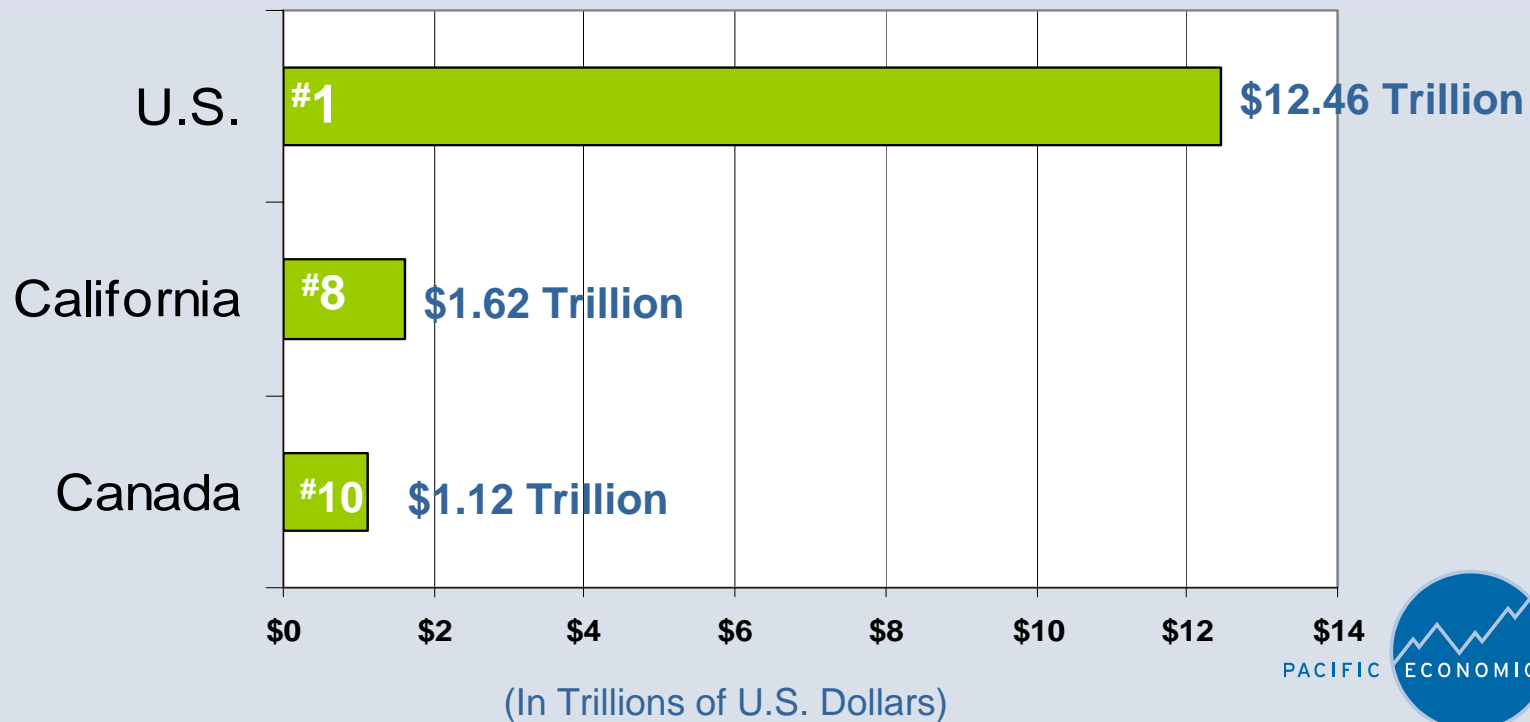
California Department of Labour



The California Economy

- If California were a nation-state, it's economy would rank 8th in the world, just ahead of Canada.

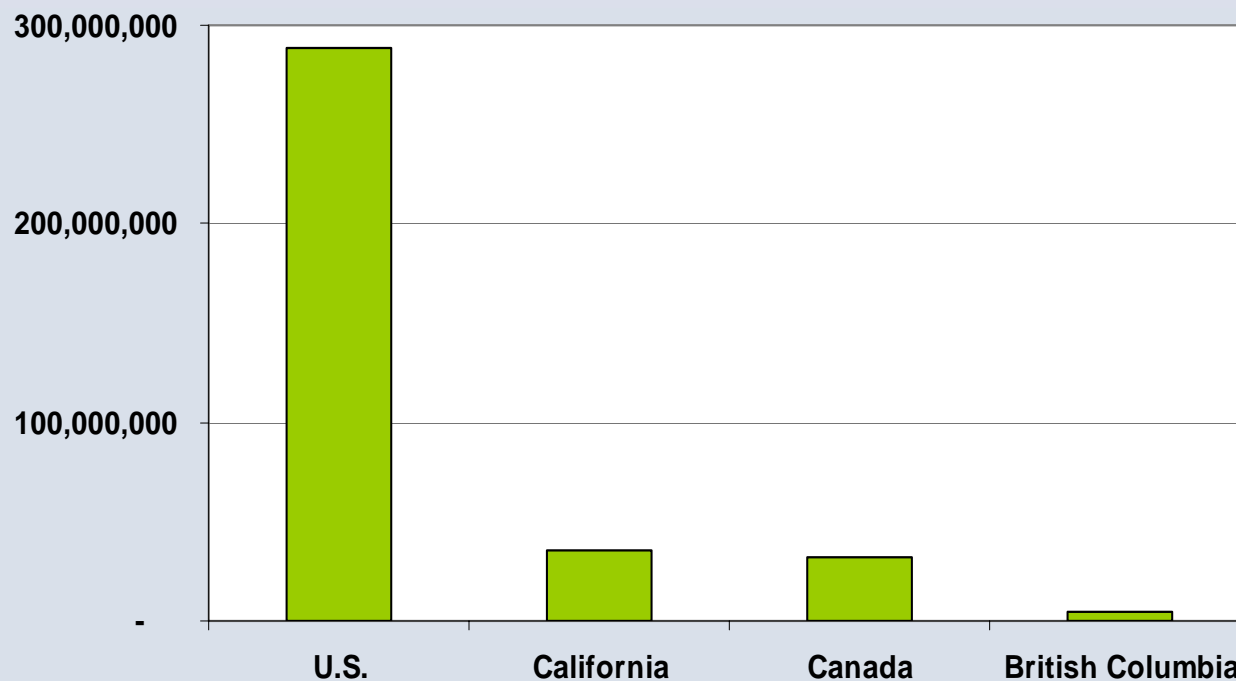
2005 GDP



California, the U.S. & Canada

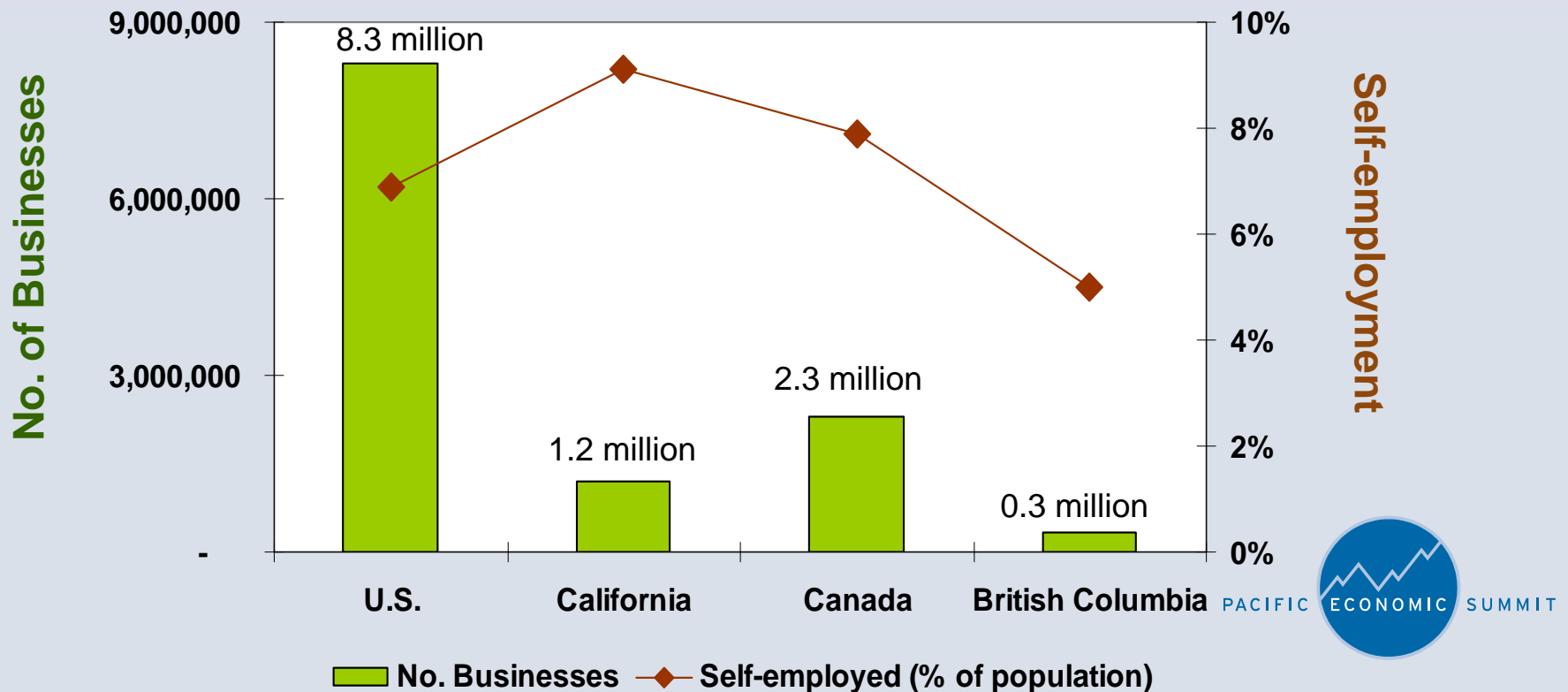
- California has a population of 36.5 million (2006 est.), about 12% higher than Canada's 31.6 million (2006)

Population



California, the U.S. & Canada

- California reports 1.2 million businesses, compared to the U.S. at 8.3 million and Canada at 2.3 million
- California's population reports the highest percentage of self-employment



Opportunities in California

- New business formation continues to expand
- Made-in-California value-added product exports are expanding
- California has a competitive advantage in key industry sectors



California's Competitive Edge

- California has a competitive advantage in key industry sectors. Three examples are:

Biotechnology

Information Technology

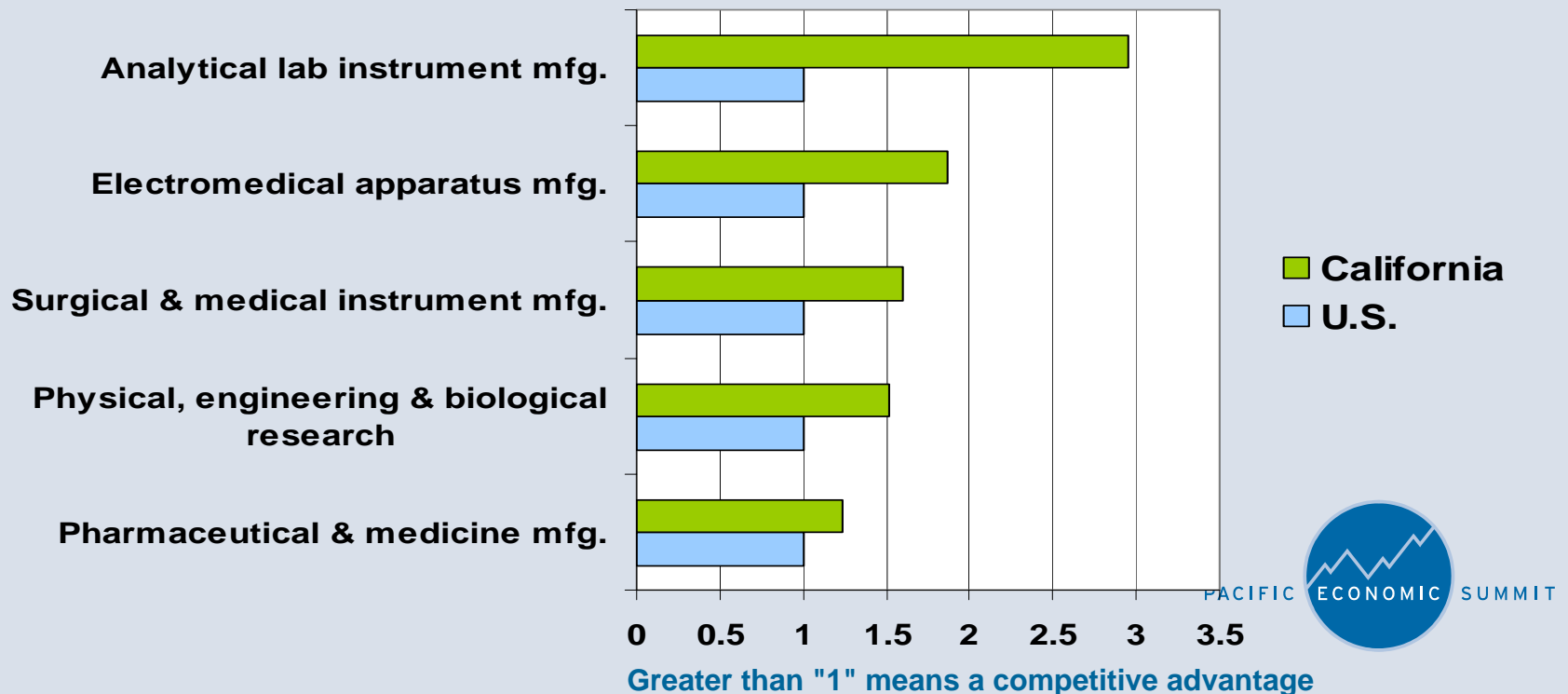
Agriculture



Biotechnology

California's competitive advantages include:

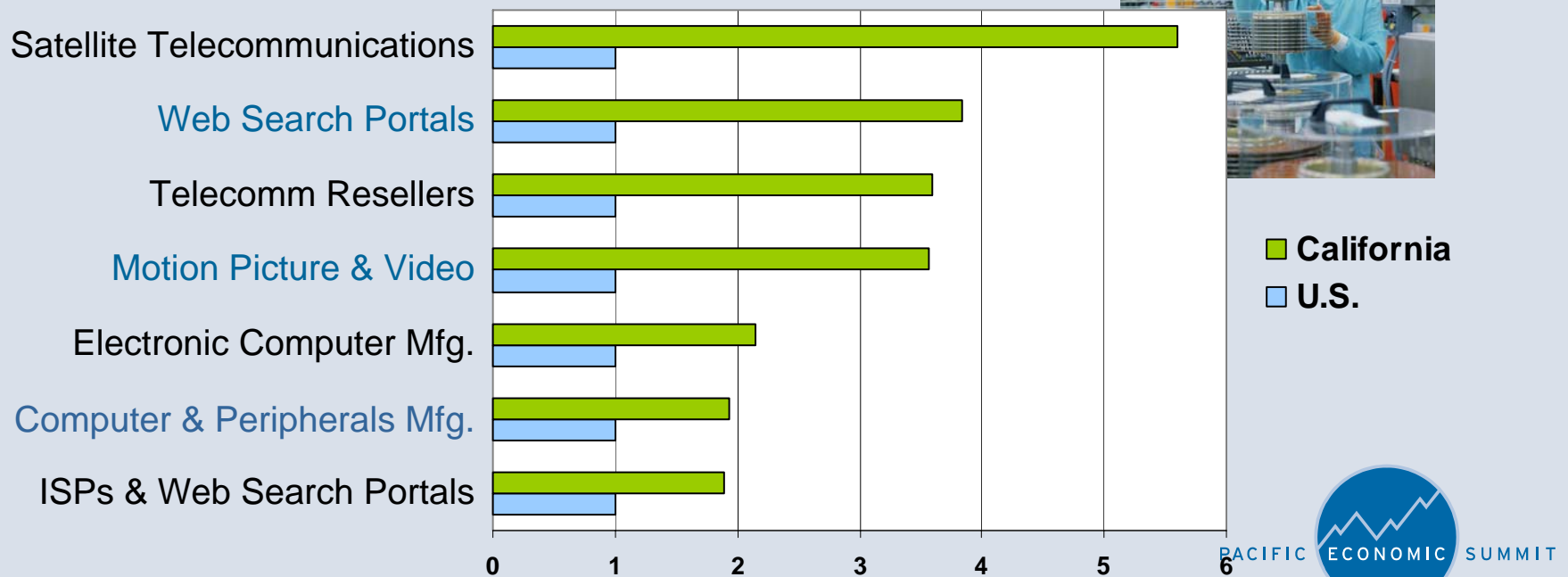
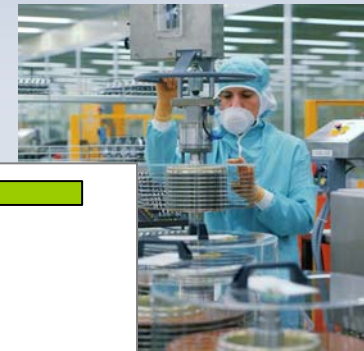
- Research & Development
- Medical & Scientific Instruments and Medicine Manufacturing



Information Technology

California's competitive advantages include:

- Satellite Telecommunications
- Internet Publishing & Broadcasting
- Computer Manufacturing



Greater than "1" means a competitive advantage



Agriculture

California's competitive advantages include:

- Crop Production & Specialty Crops
- California's Wine Industry
- High-tech Production, Processing & Exports



California is the world's fifth largest supplier of food and agricultural commodities.



California produces 90% of all U.S. wine, and is the fourth leading producer in the world.



A Leader in Innovation

- California receives 25% of all new U.S. patents
- We receive 45% of all new venture capital in the U.S.
- We have 20% of the United States' high tech jobs

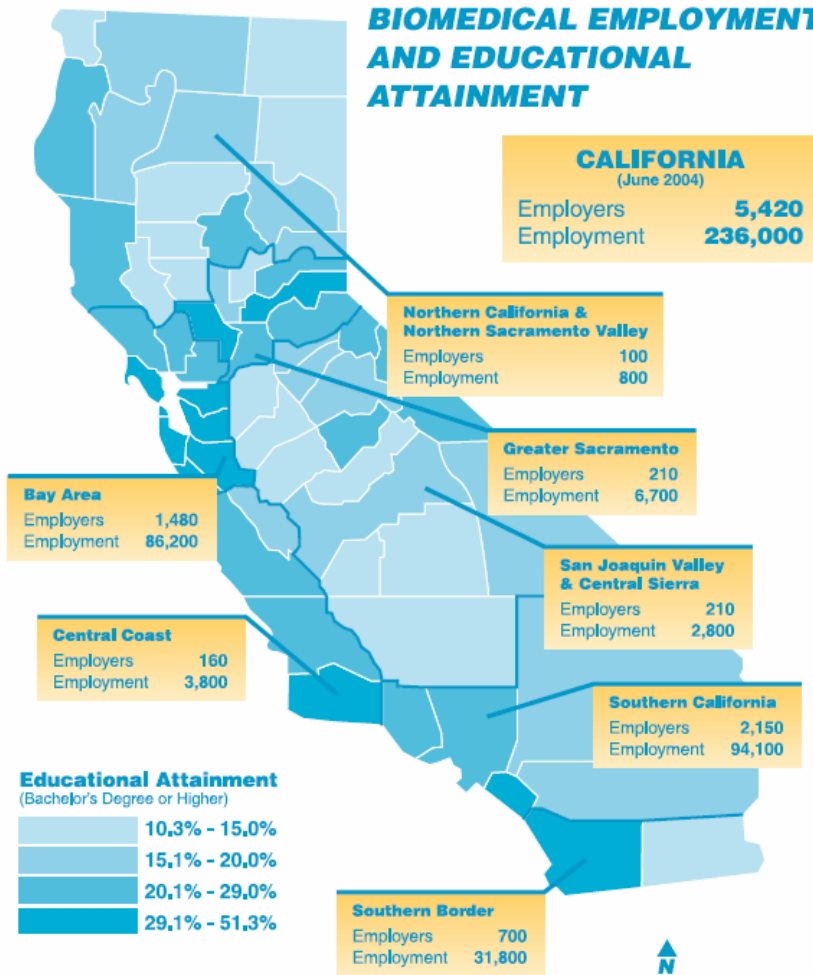


Driving Innovation

- California has the highest concentration of engineers, scientists, mathematicians and skilled technicians in the U.S.
- We lead the world with the highest number of Nobel Laureates
- Six of the top 20 U.S. engineering schools are here

World Class Universities & Research Institutions

BIOMEDICAL EMPLOYMENT AND EDUCATIONAL ATTAINMENT

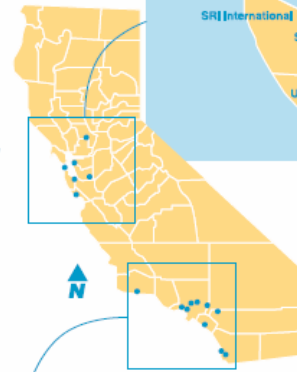


Sources:
Educational Attainment - 2000 Census
Employers and Employment for June 2004 - Employment Development Department, Labor Market Information Division, Quarterly Census of Employment and Wages.
Some employers and employment not assigned to a region.

	As of 2001	As of 2003
Stanford University	94	117
UC San Francisco	60	115
UC Berkeley	39	87
UC Davis	18	26
Lawrence Berkeley Nat'l Lab	7	12
Lawrence Livermore Nat'l Lab	3	6
UC Santa Cruz	3	6
SRI International	*	1



INSTITUTIONS SPIN OFF MORE BIOMEDICAL COMPANIES



CALIFORNIA
As of 2001: 402
As of 2003: 732



	As of 2001	As of 2003
UC San Diego	63	113
UC Los Angeles	18	65
The Scripps Research Institute	33	45
CaTech	24	28
University of Southern California	*	25
UC Irvine	9	23
Salik Institute of Biological Studies	16	22
UC Santa Barbara	5	16
The Burnham Institute	7	12
UC Riverside	5	7
Cedars-Sinai Medical Center	*	7
California State University Program for Education and Research in Biotechnology	*	3
Keck Graduate Institute of Applied Sciences	*	2
City of Hope	1	*
Totals	402	732

* Information not available.
Source: California Healthcare Institute/PricewaterhouseCoopers, California's Biomedical Industry, 2004 Report, www.chi.org

California & Canada

- California and Canada enjoy a strong trade relationship
- Combined exports between the two totaled \$36.9 billion in 2006, up from \$26.9 in 2002
- Both of our future investments are in critical areas, including:
 - Alternative fuels
 - Carbon emissions reduction
 - Infrastructure Improvements
 - Stem cell research