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California's Global Trade Cities: Driving Local and National Outcomes

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Carnegie California

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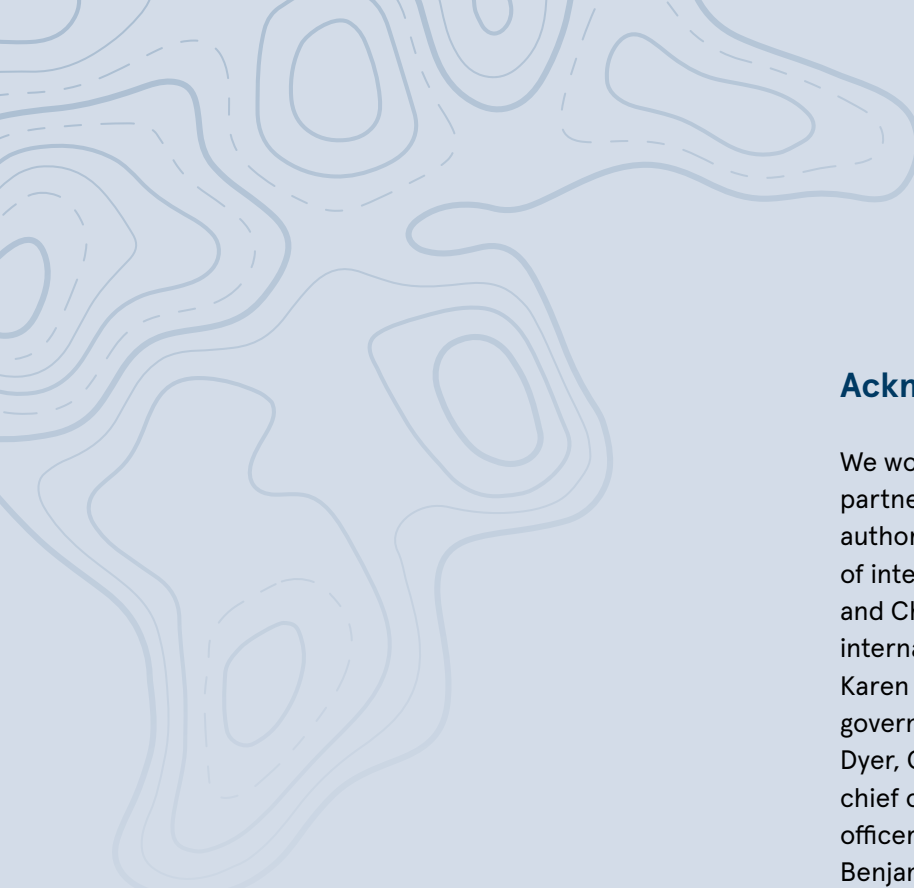
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Carnegie California

Carnegie California links developments in California and the West Coast with national and global conversations around technology, subnational affairs, and trans-Pacific relationships. At distance from national capitals, and located in one of the world's great experiments in pluralist democracy, Carnegie California engages a wide array of stakeholders as partners in its research and policy engagement.

Summary

Cities across the United States facilitate investment in American communities. Yet, because global attention remains focused on U.S. trade policy, their distinctive and bold local approaches to international trade and investment promotion are often underappreciated, including in California, where cities play a considerable role in advancing the state's \$4 trillion economy.¹

This paper, the second in a two-part series, examines how nine of California's large and midsized cities drive their own economic growth through trade. Published in September 2024, the first paper, "California's Global Cities," examined the global components and engagements of these nine cities, providing an actionable framework to better understand global affairs taking place in and directed by cities.² This second paper considers how cities in California lead their own international trade and investment promotion efforts. It provides examples of recent city-led trade missions, details effective practices and roadblocks to local trade and investment promotion, and offers ideas for greater coordination to support this work.

The last two years have seen profound changes in American politics and global trade policies. U.S. President Donald Trump's administration enacted high tariffs on most of the United States' international trading partners, leading to renegotiated trade deals, volatile import activity, and widespread uncertainty regarding the future of American supply chains.³ Although the Supreme Court ruled that the statute Trump used to impose tariffs, the International Emergency Economic Powers Act (IEEPA), does not give him the authority to do so in *Trump v. VOS Selections, Inc.* and *Learning Resources, Inc. v. Trump*, global trade rules are being rewritten.⁴ In response, cities in California are actively pursuing steps to maintain and build the relationships essential to economic growth. Over the last three years, Carnegie California has surveyed Californians to gauge their support for subnational diplomacy between both state and local leaders in California and their counterparts and country leaders abroad. The research shows that while support has steadily increased since 2023, a significant number of residents remain unsure, indicating a gap in understanding how this diplomacy is benefiting, or could benefit, California constituents.⁵ In response to this gap in understanding, this paper highlights several illustrative examples of subnational commercial diplomacy efforts and their impact.

The case studies demonstrate that these cities:

- **Are economically significant trade actors.** California's metro areas export more than \$141 billion of the state's estimated \$183 billion in annual goods exports as of 2024. City-managed ports in Los Angeles, Long Beach, and Oakland handle roughly 45 percent of U.S. containerized waterborne trade.⁶ Foreign-controlled firms employ around 800,000 people across the state, with those investments clustering in urban areas.⁷

- **Lead a high volume of trade missions.** The State of California has engaged in two trade missions, led by a governor or lieutenant governor, since 2019.⁸ In that time span, California cities have engaged in nearly twenty similar missions across seventeen countries.⁹
- **Leverage strategic local advantages.** City actors demonstrate unique value to trade partners. They manage international ports and airports, create distinctive city branding opportunities, facilitate sector-specific partnerships and investments, and offer intimate constituent relationships with foreign locales.
- **Exhibit distinct styles and goals.** Each city has its own style and approach to trade, rooted in its economic profile, resources and institutions, sister cities and business sector relationships, and the priorities of its elected leaders.
- **Navigate common challenges working with diverse actors.** World trade centers, colleges, and sister city organizations are among the actors that help cities overcome common obstacles to trade promotion, including limited local economic data, resource and political constraints, and fragmented support from higher levels of government.

These findings underscore that while California's cities are already playing a consequential role in advancing American trade and investment, their efforts would be strengthened through more intentional and systematic support and coordination across levels of government and with external partners. Addressing persistent challenges like local data limitations, resource and political constraints, and fragmented support from higher levels of government would enable cities to more effectively leverage their unique assets, international connections, and on-the-ground perspective. The recommendations that conclude this paper, written for the federal government, and civil society, seek to address these very gaps and strengthen the broader ecosystem supporting city-led trade and investment promotion, thereby enhancing economic competitiveness at both the local and national levels.

Introduction

While headlines focus on national trade disputes and shifting federal policies, a quieter, yet equally significant story of global engagement is unfolding in California's cities. From managing some of the nation's busiest ports to leading their own diplomatic missions abroad, cities are not passive beneficiaries of U.S. trade policy but are also active, strategic players in accelerating economic growth. This paper argues that cities' distinctive and bold local approaches to international trade and investment promotion are underappreciated in advancing the success of California's global economy, valued at \$4 trillion.¹⁰

Additionally, the paper highlights recent trade missions organized by cities in California, revealing the successes and roadblocks to local trade and investment promotion. Then, based on the findings, it offers ideas for greater multilevel coordination. If local governments are seen as key drivers of U.S. trade, increased support and recognition from higher levels of government would enhance both local and national economic competitiveness amid paradigm shifts in U.S. trade strategy and global trade relationships.

The Local-Global Trade Landscape

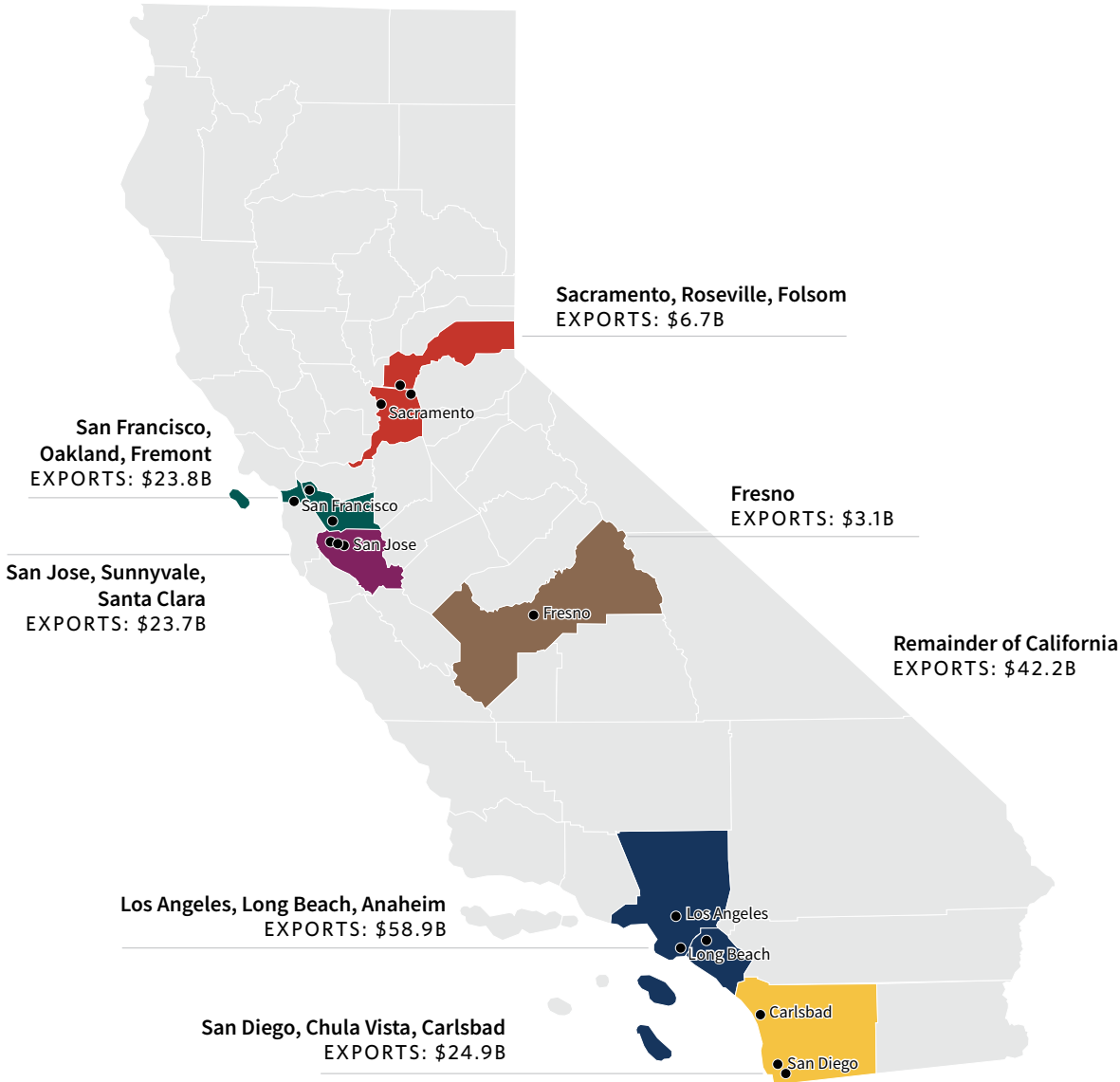
Major metropolitan areas such as Los Angeles, San Francisco, and San Diego are economic engines, benefiting from the export of goods (\$59.6 billion, \$24.3 billion, and \$23 billion, respectively) and from the various positive externalities of global trade, such as foreign direct investment, job growth, and an active environment for mergers and acquisitions.¹¹

Major metropolitan areas such as Los Angeles, San Francisco, and San Diego are economic engines, benefiting from the export of goods and from the various positive externalities of global trade.

As seen in figure 1, cities in California contribute to more than \$141 billion of the state's estimated \$183 billion in annual goods exports in 2024. California's eleven major ports handle approximately 40 percent of U.S. containerized imports and 30 percent of exports, with the majority of that volume passing through the ports of Los Angeles, Long Beach, and Oakland.¹² This work generates nearly 600,000 jobs in California, paying approximately 18 percent higher wages than the national average.¹³ Over 18,000 foreign-controlled companies

employ more than 814,000 Californians, representing approximately 5 percent of the private workforce and generating over \$89 billion in wages.¹⁴ In the United States, 74 percent of jobs in foreign-owned companies are located in the country's one hundred largest metro areas, including those in Southern California and the Bay Area.¹⁵

Figure 1. Value of Goods Exports from Select California Metropolitan Areas, 2024



For many cities in California, international trade is important to their economic success. The following are several examples of the impact of trade from the local lens:

- **San Diego:** In 2023, the Port of San Diego supported 71,000 total jobs in San Diego County.¹⁶
- **Fresno and the Central Valley:** Fresno receives 50 percent of foreign direct investment (FDI) to the Central Valley, where 20,000 jobs have been created from foreign investment since 2005.¹⁷
- **San Francisco and Oakland:** In December 2025, according to the Bureau of Labor Statistics, the metropolitan region of San Francisco-Oakland-Fremont reported over 350,000 jobs related to international trade, transportation, and utilities.¹⁸
- **Los Angeles and Long Beach:** Los Angeles received 7.5 million international visitors in 2020.¹⁹ In Los Angeles County alone, more than 6,500 foreign-owned enterprises are employing nearly 300,000 residents.²⁰ The two ports of Los Angeles and Long Beach support over 1 million jobs in the surrounding five-county region and nearly 3 million jobs throughout the United States.²¹

The mayor in each city listed above engaged in strategic trade and investment promotion activities in the last five years, leading delegations of business leaders and local agency representatives to cities around the world or hosting delegations at home. This has led to a growing ecosystem of international engagement steered by city governments across California.

This local ecosystem includes public and private sector actors. Local institutions (many of which are highlighted in the Global City Index) are directly invested in trade promotion, including world trade centers, economic development corporations, port authorities, tourism associations, universities, sports teams, mayors' offices, and other city agencies. Collaboration among these actors varies by city, depending on local politics, existing institutions (there are only four world trade centers in California—Los Angeles, Long Beach, San Diego, and Northern California), budgetary constraints, private sector interest in foreign trade promotion, and other factors that vary by time and place.²² Businesses in cities such as San Diego, Sacramento, and Los Angeles rely on their world trade centers for training and counseling and for organizing trade missions. Meanwhile, local leadership tries to find strong business association partners to help fund and organize travel, connecting local government strategy to shared interests abroad.

Cities benefit from support, albeit limited, for trade and investment promotion and trade-related global engagement from state and federal partners. For example, the California State Trade Expansion Program provides grants for small businesses seeking to expand internationally.²³ California's China Trade and Investment Network offers specialized resources for navigating China's complex market.²⁴ Foreign trade zones support the use of critical trade infrastructure by allowing goods to be imported and processed with reduced customs duties

and regulatory costs. The U.S. Commercial Service, and more broadly the International Trade Administration within the U.S. Department of Commerce, helps promote American businesses in growing international markets by identifying local private sector partners, providing detailed market intelligence, and supporting trade missions.²⁵ The Department of State has historically offered diplomatic support to city leaders traveling abroad, helping local delegations establish deeper connections.

Apart from these limited touch points, however, cities plan and develop their own strategies, missions, and engagements. Indirectly, while undeniably helpful, the overall limited support system may demonstrate how much state and federal leaders undervalue the role of cities in facilitating growth and investment in American communities.

City Trade Missions

Amid a complex subnational landscape, local business associations, industry groups, and city governments have worked together to take trade promotion into their own hands. Diverse approaches in cities across California are bringing together government leadership and local businesses to expand export opportunities, attract investment, facilitate knowledge exchange and innovation, and diversify local trade partnerships. Several cities now have trade and promotion strategies, and central to these strategies are trade missions.²⁶ These missions aim to support regional economic development, promote tourism and cultural exchange, and showcase local industries. Notably, none of the cities have published their strategies online, and most shared their strategies offline or by word of mouth.

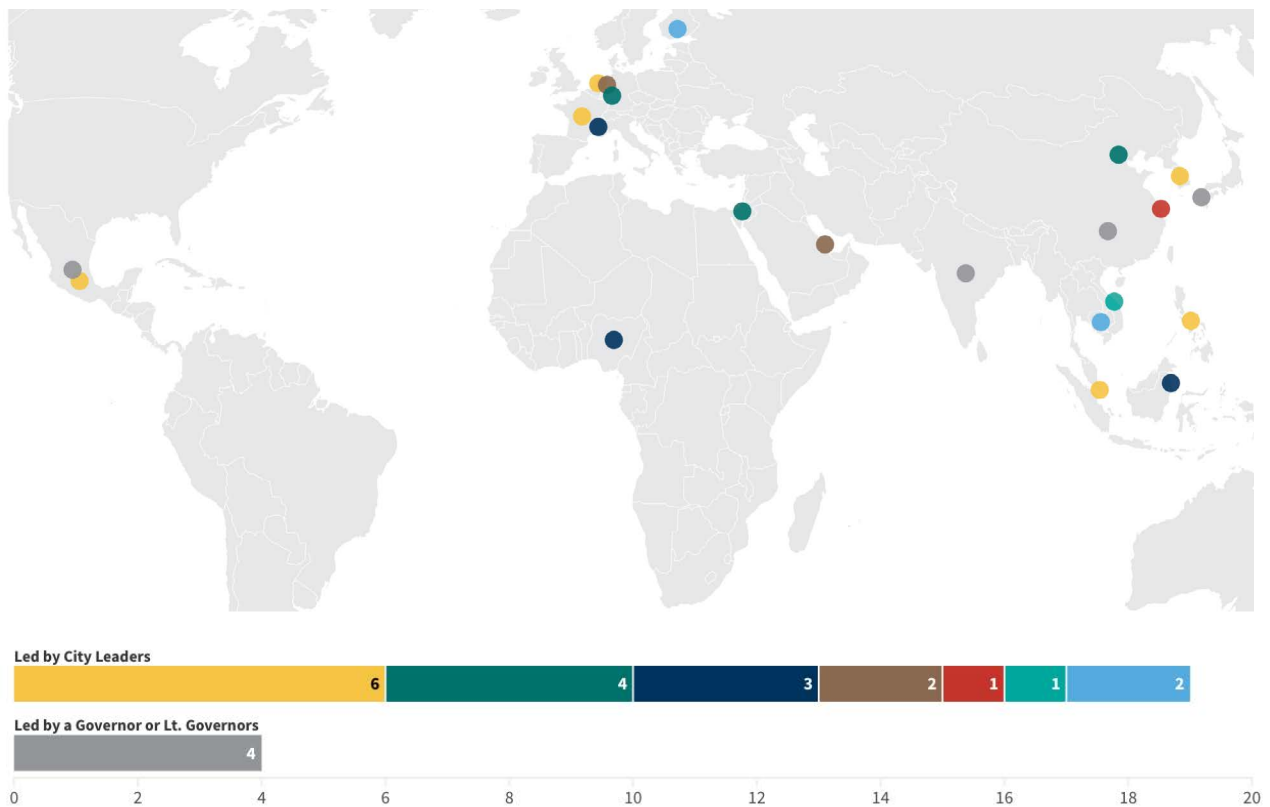
Several California cities now have trade and promotion strategies, and central to these strategies are trade missions.

Each city has a distinctive style and approach based on its economic profile, resources and institutions, sister cities and business sector relationships, and current leadership priorities. The cities target their international engagements, as seen in figure 2, to fit those priorities. What works in tech-centered San José has changed over time and differs from what works in Fresno (focused on transportation and agriculture) or San Diego (focused on life sciences and medical technology). San Francisco's trade missions under former Mayor London Breed have centered around tourism promotion, while Sacramento has been working exclusively

on supporting local business connectivity to China.²⁷ Meanwhile, Long Beach, through its city-managed port, and Los Angeles have established “green trade corridors” with Shanghai and Singapore respectively and have reached other climate-policy-related memorandums of understanding with cities in Japan and Vietnam.²⁸

A select number of case studies below demonstrate the mixed approaches and varied success of city-led trade promotion. These examples capture the importance of political leadership, the different approaches to innovative private-public partnerships and initiatives, and the large variance in how objectives are developed, missions are carried out, and success is measured.

Figure 2. Trade Missions Led by California State or City Leaders, 2019–2025



Note: This map is illustrative; boundaries, names, and designations used do not represent or imply any opinion on the part of Carnegie or the authors. Many other trips, including “virtual trade missions,” are conducted without city leadership by chambers of commerce, business associations, and tourism associations each year across the state. You can find more locally-led international engagement using resources like the [U.S. City and State Diplomacy Map](#).

Los Angeles: A Pioneer for Expanding Trade Markets

The Los Angeles (LA) port alone accounts for one-third of California’s exports.²⁹ It is a pioneer in how cities forge global connections and promote trade and investment. The city’s approach is underpinned by a targeted strategy for international relations and sustained by cooperation with local economic institutions. The Mayor’s Office of International Affairs works closely with organizations such as the Los Angeles Area Chamber of Commerce and World Trade Center Los Angeles to track local trade and investment data, attract new FDI, and connect local companies with global markets. Over the last decade, the city’s engagement included mayor-led trade missions to China, France, Japan, Mexico, South Korea, and Vietnam, with the goal of strengthening business, investment, and tourism ties. LA’s plans to co-host the 2026 FIFA World Cup and the 2028 Summer Olympic and Paralympic Games are the result of years of coordinated advocacy and strategic planning.³⁰

Table 1. Locations of LA Outreach

Country	Mayor	Date	Description
China	Antonio Villaraigosa	May 2013	Villaraigosa visited multiple cities in China during a ten-day Asia mission. Source: “Mayor Antonio Villaraigosa Off to China to Promote Business,” US-China Exchange, May 1, 2013, https://uschinaexchange.usc.edu/exchange/mayor-antonio-villaraigosa-china-promote-business .
	Eric Garcetti	November 2014	Garcetti led a twelve-day trade mission to Beijing, Shanghai, and Guangzhou focusing on tourism and port trade. Source: Soumya Karlamangla, “L.A. Mayor Eric Garcetti set to visit Asia on a trade mission,” <i>Los Angeles Times</i> , November 13, 2014, https://www.latimes.com/local/cityhall/la-me-1114-asia-trip-20141114-story.html .
		July 2018	Part of a ten-day, multi-country trip to Asia led by Garcetti. Source: Howard Fine, “LABJ: Mayor Garcetti to Lead Trade Mission to East Asia,” Central City Association of Los Angeles, July 23, 2018, https://www.ccala.org/news/2018/07/23/recent-news/labj-mayor-garcetti-to-lead-trade-mission-to-east-asia .
Denmark	Eric Garcetti	October 2019	Garcetti visited Copenhagen for the C40 World Mayors Summit, where he was elected chair of C40 Cities and launched the Global Green New Deal. Source: “Mayor Eric Garcetti’s legacy at C40 Cities,” C40, n.d., https://www.c40.org/leadership/c40-chair-eric-garcetti-legacy .
France	Karen Bass	March 2024	Bass visited Paris to study infrastructure, green transportation, and housing ahead of LA hosting the 2028 Summer Olympics. Source: “Mayor Bass Returns From Paris Following Delegation Trip to Prepare for 2028 Olympic and Paralympic Games Ensuring Los Angeles Benefits for Generations to Come,” City of Los Angeles, March 12, 2024, https://mayor.lacity.gov/news/mayor-bass-returns-paris-following-delegation-trip-prepare-2028-olympic-and-paralympic-games .
		August 2024	Bass returned to Paris for the 2024 Olympic Closing Ceremony to officially receive the Olympic flag. Source: “Mayor Bass Brings Olympic Flag Back to Los Angeles, Concludes Historic Closing Ceremony as Crucial Preparations for 2028 Continue,” City of Los Angeles, August 12, 2024, https://mayor.lacity.gov/news/mayor-bass-brings-olympic-flag-back-los-angeles-concludes-historic-closing-ceremony-crucial .

	Mayor	Date	Description
Japan	Antonio Villaraigosa	December 2011	Villaraigosa visited Tokyo and Nagoya to promote the Port of LA and tourism. Source: Brian Watt, "Villaraigosa: Trade mission to Asia a success," LAist, December 15, 2011, https://laist.com/news/kpcc-archive/villaraigosa-trade-mission-asia-was-successful .
	Eric Garcetti	November 2014	Garcetti visited Tokyo to meet with Japan Airlines and entertainment executives regarding tech and film investment. Source: Karlamangla, "L.A. Mayor Eric Garcetti set to visit Asia on a trade mission."
Mexico	Eric Garcetti	March 2014	Garcetti visited Mexico City to sign economic and cultural partnership agreements. Source: "LA Mayor, Business Leaders In Mexico To Boost Trade Ties," CBS News, March 3, 2014, https://www.cbsnews.com/losangeles/news/la-mayor-business-leaders-in-mexico-to-boost-trade-ties/ .
		November 2016	Garcetti visited Mexico City for the C40 Mayors Summit to launch the "Deadline 2020" climate initiative and engage in bilateral talks on green investment. Source: "Press Release: Mayors From C40's 86 Cities To Convene In Mexico City Next Week For Global Summit," C40, November 23, 2016, https://www.c40.org/news/mayors-from-c40-s-86-cities-to-convene-in-mexico-city-next-week-for-global-summit .
South Korea	Antonio Villaraigosa	December 2011	Villaraigosa visited Seoul to secure a major terminal deal with Hyundai Merchant Marine at the Port of LA. Source: Watt, "Villaraigosa: Trade mission to Asia a success."
	Eric Garcetti	November 2014	Garcetti visited Seoul to strengthen logistics and cultural ties with LA's second-largest trading partner. Source: Karlamangla, "L.A. Mayor Eric Garcetti set to visit Asia on a trade mission."
		July 2018	Part of a ten-day, multi-country trip to Asia led by Garcetti. Source: "Garcetti Completes Trade Mission Trips to Tokyo, Seoul," <i>Rafu Shimpo</i> , August 3, 2018, https://rafu.com/2018/08/garcetti-completes-trade-mission-trips-to-tokyo-seoul/ .
Vietnam	Eric Garcetti	July 2018	Part of a ten-day, multi-country trip to Asia led by Garcetti. In Vietnam, he visited both Hanoi and Ho Chi Minh City. Source: Fine, "LABJ: Mayor Garcetti to Lead Trade Mission to East Asia."

Under Mayor Karen Bass, Los Angeles has made it a priority to expand trade and investment with some of the youngest and fastest-growing cities in Africa. Recognizing the vast potential for collaboration across the continent—in, for example, sustainable infrastructure, clean energy, smart city innovations, and economic development—the city has hosted listening sessions with local African diaspora groups to identify trade and investment opportunities.

California–Africa Climate and Economic Delegation to Kenya and Nigeria, 2025

In August 2025, the Bay Area Council, partnering with the California State Transportation Agency and the University of California at Davis, invited the city of Los Angeles and local businesses to join the California-Africa Climate and Economic Delegation to Nairobi, Kenya, and Lagos and Abuja, Nigeria. LA’s deputy mayor for international affairs, Dilpreet Sidhu, joined the delegation, which was primarily focused on building cross-continental collaboration in clean energy, transportation, sustainable infrastructure, and economic innovation and on meeting with national, county, and local government representatives, business leaders, and innovators across both countries. For Los Angeles, participation was guided by three key goals: deepen trade and investment partnerships by showcasing LA as a destination for African businesses, advance sports diplomacy in the lead-up to the 2028 Olympics, and strengthen diplomatic ties by advocating in Nigeria for an LA consulate. Both direct and indirect outcomes from these trade missions can be found in Annex 1.

San Diego: Strategic Trade Promotion and Measurable Deliverables

San Diego, a notable city for both services and goods exports, such as semiconductors and medical devices, leverages international trade missions to accelerate its economic development by supporting export-ready businesses, increasing FDI opportunities, and defining and amplifying the city’s “global identity.”³¹ San Diego’s policies have nurtured the development of a notable foreign investment landscape: Over \$40 billion in cumulative FDI flowed into San Diego between 2013 and 2023, and approximately 79,000 San Diego residents have been employed by foreign companies as of 2023.³²

Since developing a strategy for “global competitiveness” in 2015, San Diego has conducted at least eight trade missions abroad, including, under Mayor Todd Gloria, to the Netherlands in 2022, South Korea in 2023, and the Philippines in 2024.³³ The trip to the Netherlands, in particular, had strategic purpose and resulted in measurable outcomes.

Yet trade missions are only part of a broader trade promotion strategy in San Diego, which includes building regional and binational partnerships, gathering market intelligence, conducting advertisement campaigns, developing talent, securing inbound investment support, and more.³⁴ The effort includes a partnership with the city of Tijuana, Mexico, to build cross-border coalitions and association leadership through the San Diego Regional Chamber of Commerce.³⁵ Further, San Diego’s World Trade Center conducts annual

surveys of the business community and uses this data to inform strategy. As such, in 2025, U.S. Congressman Scott Peters led the city, along with over thirty of its business, civic, and academic leaders, to Paris and Marseille, France, for the purpose of exchanging ideas about clean energy, life sciences, defense, and tourism—priority sectors for all the respective cities participating in the trip.³⁶ The trip led to a San Diego–Marseille sister city partnership, announced by Gloria during the September 2025 trip.³⁷ San Diego aims to make its trade promotion strategy data-informed, structured, and consistent.

Trade missions are only part of a broader trade promotion strategy in San Diego, which includes building regional and binational partnerships, developing talent, securing inbound investment support, and more.

San Diego Trade Mission to the Netherlands, 2022

San Diego used FDI data gathered by its World Trade Center and counterparts at the Department of Commerce to inform their trade mission strategy. The Netherlands is a top San Diego region investor for FDI, with investment exceeding \$5.5 billion since 2013.³⁸ The Netherlands is a primary trade mission destination for San Diego: Companies from the country account for the sixth-largest foreign investor presence in San Diego, and companies incorporated in the Netherlands but with offices in San Diego employ roughly 5,000 San Diegans.³⁹ The delegation to the Netherlands was led by Gloria and included representatives of the San Diego World Trade Center and San Diego Regional Economic Development Corporation and twenty-nine private sector executives. The primary objectives included strengthening economic ties, promoting San Diego’s innovation economy, and supporting existing relationships. Both direct and indirect outcomes from this trade mission can be found in Annex 2.

Sacramento: Private Stewardship and Sustained Multilevel Engagement

Sacramento is part of the China Trade and Investment Network, established in 2013 to facilitate and support regional business connections with China.⁴⁰ This work is conducted in Sacramento through the Sacramento China Trade Office (SCTO).⁴¹ Since its establishment, the SCTO has incorporated trade missions into a broader portfolio of trade promotion and local business support, including export training, trade promotion, and the connection of businesses to potential foreign partners. The SCTO organized up to four trade missions

a year between 2013 and 2020.⁴² The China Trade Office model has worked well for the city and its business community. The model involves multilevel coordination, with original funding and direction from the statewide China Trade and Investment Network. The office has a targeted focus on Chinese-U.S. business development, with streams of work aimed at achieving educational and cultural outcomes as well as tangible business outcomes such as new partnerships, increased exports, and new FDI in Sacramento from Chinese businesses.

Trade Mission to Celebrate First Northern California Direct Imports to Chongqing, 2014

Sacramento developed trade connections with Chongqing, a city in mainland China with nearly 30 million inhabitants, an inland port, and strong technological and industrial sectors.⁴³ There are direct flights to Chongqing from both Los Angeles and San Francisco, and the two cities' business sectors are natural trade partners for activities related to agricultural and technological products. In 2014, the SCTO facilitated the first-ever shipment of California produce directly to Chongqing—argued to be a win for Sacramento's agricultural sector.⁴⁴ The trade delegation included the city's director of economic development; SCTO officials; faculty from the University of California at Davis, Drexel University at Sacramento (now closed), and California State University; and local business leaders.⁴⁵ Both direct and indirect outcomes from this trade mission can be found in Annex 3.

Fresno and the Central Valley: Grassroots Interest in Growing Trade

Fresno is the heart of international trade and investment in the Central Valley, accounting for roughly 50 percent of all regional exports and boasting a research university with a well-regarded business program at California State at Fresno.⁴⁶ Fresno, under Mayor Jerry Dyer, has increased its international engagement efforts, dispatching delegations to a diverse set of cities, including Guadalajara, Mexico; Vienna, Austria; Tokyo, Japan; and Münster, Germany, since 2022.

Fresno's international trips have enabled the city to build relationships around areas of priority, including transportation, housing, economic development and revitalization, and tourism.⁴⁷ The outcomes of these trips—both direct (the Fresno International Transportation Innovations Summit in partnership with officials from Münster) and indirect (new U.S. airline direct seasonal flights to partner city Guadalajara)—suggest that these relatively modest delegations have the potential to lay the groundwork for future culturally and economically

impactful international engagements.⁴⁸ The city’s mission to Guadalajara in 2022 is an example of its efforts to accomplish policy learning and economic cooperation without a comprehensive engagement strategy.

Delegation to Guadalajara, Mexico, 2022

The mayor led the city’s mission to Guadalajara and objectives included establishing a new sister city relationship, promoting cultural and educational ties, improving tourism and trade outputs, and establishing new business ties. Fresno sought a sister city agreement with Guadalajara that included promises of discussing economic development cooperation opportunities. The cities signed a nonbinding memorandum of understanding, and follow-up has remained informal.⁴⁹ Both direct and indirect outcomes from this trade mission can be found in Annex 4.

Effective Practices and Roadblocks

Cities in California are finding effective, innovative ways to promote trade and investment locally. They bring a value proposition to trade promotion, with distinctive foreign reputations, or “brands,” which they can leverage for sports diplomacy and other forms of engagement. Many of their promotional efforts focus on specific sectors and policy areas, and local economic actors and institutions work toward clear goals. The cities have successfully leveraged international connections for economic development, and by linking trade missions to broader city strategies, there have been notable benefits for residents.⁵⁰

Yet cities also face considerable challenges, including limited financial resources, structural and data challenges, and a lack of government coordination. This makes it difficult for many cities to engage in comprehensive trade promotion, resulting in uneven opportunities across metropolitan areas and local governments.

Effective Practices

Dedicated institutions and comprehensive local strategies. Cities that host associations that support local trade and investment promotion—for example, world trade centers, chambers of commerce with trade and investment programs, port authorities, and development corporations—have more opportunities for learning and connection and thus more sustainable and effectual trade outcomes.

Data-driven strategies with clear goals and concrete deliverables. Cities that base their trade promotion efforts on strategic data collection achieve clearer goals and deliverables, both in the short term and over time. Los Angeles and San Diego are two such cities, leveraging their capacity to conduct data collection and target their trade promotion efforts.⁵¹ In cases when data collection is not possible, cities can mobilize political intelligence and qualitative storytelling. Announcing direct flights to new locations signifies early and concrete wins and serves as a useful proxy for sustained or improved market demand.

Tried-and-true promotional efforts. Local trade promotion activities have included matchmaking events, trade shows, export training for small and medium-sized enterprises, and foreign-market educational seminars. Some cities have even organized virtual trade missions, including trade shows and curated meetings, as a cost-effective way for cities to engage with international partners instead of, or in addition to, more comprehensive physical trips abroad.

Multilevel coordination tied to local capacity, ambition, and impact. When local leaders utilize state and federal support, they can extend the possibilities of their engagements abroad and the resources they return to residents at home.⁵² Cities have drawn from a number of state and federal programs, or simply office-to-office relationships, to receive varying levels of support for their economic diplomacy efforts. They have applied for various grants or otherwise inquired directly with federal agencies, but these agencies are sometimes opaque and labyrinthine and thus support for local trade promotion can be fragmented and unreliable. To add to that, much of the preexisting support, namely, out of the Department of State, has been curtailed under the current administration.⁵³

Common and Persistent Challenges

Data limitations. The limited availability of actionable local economic data and success metrics affects both the planning and effectiveness of trade promotion activities and a city's ability to demonstrate quantifiable outcomes. The International Trade Administration, for example, publishes export data disaggregated by metro area; however, foreign investment data remain unavailable for metro areas. The Subnational Diplomacy Unit at the Department of State was the first government agency to provide cities with FDI fact sheets,⁵⁴ but that office has not been operational since mid-2025. Without consistent access to readily available resources, local governments and industries have to find ways to approximate and collect their own data.

Political resistance. Hand in hand with data limitations, cities often have difficulty communicating the benefits of leadership travel abroad. Qualitative victories—such as long-term relationship building—can be difficult to justify to skeptical constituents. However, the 2025 Carnegie California Global Affairs Survey shows an increase in constituent support for local leaders connecting with leaders of other nations.⁵⁵

Resource and institutional constraints. Many cities simply lack the budget to engage in broad trade and investment initiatives. Similarly, many cities do not host world trade centers or other crucial private sector partners that serve as organizers of the local export-oriented business community.

Best practice gaps. Cities often have to reinvent the wheel instead of pulling from a set of best practices across the state and country.⁵⁶ In terms of trade missions, they have few opportunities to exchange ideas, expertise, and effective practices with each other.

Lack of whole-of-government strategy. Support from federal agencies is often disjointed, as departments and grant programs pursue separate priorities with limited coordination. This fragmentation reduces effectiveness of assistance to cities, limiting both the number of cities that can embark on trade missions and the long-term success of those missions that take place.

National tensions affect local outcomes. Carnegie California's research in 2024 revealed that a majority of Californians were concerned about the strain international trade tensions could have on ports.⁵⁷ Their concern was not unfounded. The San Pedro Port Complex in LA reported a 44 percent decrease in docked vessels in May 2025, a direct result of wide-ranging U.S. federal tariffs. Slowing movement of goods leads to widespread job losses across the region. In this case, thousands of workers in the warehousing and logistics sector in the Inland Empire—including Riverside and San Bernardino—lost their jobs by mid-2025.⁵⁸ As of early 2026, cargo volume has steadied and export numbers have proven resilient, but sectors such as agriculture—particularly wine and tree nuts, since China's retaliatory tariffs took effect—have experienced hits of up to 30 percent across the state.⁵⁹ Further drops to export volume are expected this year.⁶⁰ Because of their direct involvement in trade, local governments will face the brunt of challenges created by tensions and turbulent decision-making at the national level. Communicating this challenge is a priority for cities across the country, not just those in California.⁶¹

Conclusion

This paper highlights how California's cities are both beneficiaries of and important actors in spearheading trade and economic development outcomes at the state and national levels. The cities possess notable competitive advantages: locally managed critical trade infrastructure, sector-specific labor forces and expertise, fertile ground for innovation, and bold development practices. These advantages allow them to forge international relationships, even when national policy and the global trade landscape remain uncertain.

California's cities possess notable competitive advantages: locally managed critical trade infrastructure, sector-specific labor forces and expertise, fertile ground for innovation, and bold development practices.

Yet local efforts focused on trade and foreign investment promotion still face common obstacles and systemic challenges. These include limited availability of local economic data, a lack of local trade institutions, resource and political constraints, and fragmented support from higher levels of government. Such issues are not insurmountable, however. One clear solution is greater multilevel government coordination, as broader institutional support for cities' trade promotion efforts would enhance both local and national economic competitiveness. But it will require the federal government, think tanks, and civil society to all play a vital role, including by taking the following recommended actions.

Recommendations for the Federal Government

U.S. Department of Commerce

- Establish an Office for Urban Trade and Investment Promotion to specifically address local trade needs, such as better data and targeted financial support.
- Direct the U.S. Bureau of Economic Analysis to develop a federal database tracking FDI at the metropolitan level to complement existing metro area data on exports. This would help cities identify opportunities and develop stronger market profiles. The department could then combine its existing export database, the Metropolitan Export Series, currently managed by the International Trade Administration, with this newly formalized FDI database to create a comprehensive metropolitan trade database.⁶²

U.S. Department of State

- Resume and expand the now indefinitely paused Reta Jo Lewis Local Diplomat Program to include more large and mid-sized cities across the United States by application.
- Develop a protocol and train in-country embassy staff on how to support local leaders on trade missions. Develop a guidebook for foreign service offices abroad on how to support local missions.
- Create a resource database and guidebook on U.S. federal trade policy. Focus on what subnational actors can and cannot do according to federal laws and regulations for cities looking to expand trade promotion and economic diplomacy work but are unsure of the boundaries of that work.

Recommendations for Think Tanks and Civil Society

- Support the development of best practices and knowledge-sharing among cities, including workshops to increase trade and global competitiveness, create action plans, and curate networks of like-sized cities to discuss issues related to trade and economy. Several entities already involved in this work include Carnegie California, which, along with the city of San Diego and Riverside, facilitates a quarterly California Big Cities Global Policy Forum based on the California Big City Mayors Group. These organizations bring together international affairs points of contact from California's thirteen largest cities to share best practices and explore partnerships. With several partners, the Meridian International Center also shares best practices, documented in the publication "Global Engagement, Local Benefits: A Strategic Toolkit for City, State, and Local Leaders."⁶³ Further support could include a City Trade Promotion Playbook that would provide a framework for attracting investment and supporting local business communities and residents by learning from each other's successes.
- Conduct surveys, similar to the 2025 Carnegie California Global Affairs Survey,⁶⁴ on public perceptions of local trade promotion and other engagements.
- Facilitate data collection relevant to city-level trade promotion and economic diplomacy. This effort may include gathering local FDI data, comparing trade promotion outcomes between cities, conducting small and medium business export assessments (95 percent of exports in California are by small businesses), and identifying opportunities for regional partnerships.⁶⁵

Global trade is critically important to the economic well-being of cities in California, just as cities in California are critical to the greater economic well-being of the state and country. As American and global trade dynamics shift, cities remain an engine of U.S. economic growth through the promotion of trade and foreign investment. Cities continue to progress in this work, supporting American enterprise and diplomacy as it expands to new markets and increasing investment at home. Improved recognition and support of the role cities play in the ecosystem of American trade and economic development would lead to more concrete and cross-level outcomes for cities, states, and the nation as a whole.

Annex 1

Los Angeles: California–Africa Climate and Economic Delegation to Kenya and Nigeria, 2025 Outcomes

While the mission to Africa is recent as of this writing, LA is actively tracking specific deliverables related to its core objectives with its delegation partners. The city’s trade promotional objectives are closely tied to key local policy areas, including sustainability, clean energy, economic innovation, and transportation. To fulfill those policy objectives, LA’s ongoing global affairs and trade and investment promotion efforts include pursuing global partnerships beyond mayoral delegations and in concert with other levels of government and local economic development and trade promotion institutions.

In Kenya, Los Angeles secured a formal commitment from the government of Kenya to establish a hospitality house during the 2028 Olympic and Paralympic Games in LA. The city also established a formal partnership with Nairobi to collaborate in areas such as sustainability, innovation, and economic development.

In Nigeria, Los Angeles submitted an official request for a consulate to the Nigerian government. The city also engaged in discussions related to Nigeria’s potential establishment of a hospitality house and other local engagements in LA during the 2028 Olympic and Paralympic Games.

Annex 2

San Diego Trade Mission to the Netherlands, 2022 Outcomes

Following coordinated meetings between the mayor’s office, San Diego Airport, and KLM Royal Dutch Airlines, the city secured a deal for KLM to begin a direct flight between San Diego and Amsterdam.⁶⁶ Launched in May 2025, this became San Diego’s third direct flight to the European continent.⁶⁷ After meetings in Amsterdam, the Netherlands Organisation for Applied Scientific Research announced it would establish its first office in North America in San Diego, focusing on digital twin technologies and the use of supercomputers for urban planning.⁶⁸ The city credits itself with helping secure a new California state grant supporting hundreds of new full-time positions at Advanced Semiconductor Materials Lithography, a Europe-based business-to-business semiconductor producer and exporter.⁶⁹ A new large office will be established in San Diego.⁷⁰

Annex 3

Sacramento: Trade Mission to Celebrate First Northern California Direct Imports to Chongqing, 2014 Outcomes

Along with the establishment of a shipment route to Chongqing for Northern California produce, the SCTO's trade promotion efforts have led to other notable deliverables. The office also facilitated the creation of a joint Chinese-U.S. medical imaging and cancer treatment research center.⁷¹ In 2016, the SCTO announced that the new U.S. headquarters of Guangzhou Bester Foods Co. would be built in Sacramento.⁷²

The trade mission also led to sports and university partnerships, including between Beijing's MEBO International Group and the Sacramento Kings who became marketing partners after a facilitated exchange and signed an agreement to launch a youth basketball project in Chongqing.⁷³ Following SCTO-organized discussions during trade missions, Chongqing University and the University of California began conducting academic and scientific exchange activities for teachers and students.⁷⁴ Additionally, after Sacramento learned from Chongqing's broad adoption of smartphones among senior citizens, it implemented its own 5G technology and marketing initiative in 2022. The SCTO has local business connections in more than twenty cities in China. Each year, the office facilitates workshops and trips connecting Sacramento businesses to potential partners for expansion, innovation, best practice integration, and export growth.⁷⁵

Annex 4

Fresno and the Central Valley: Delegation to Guadalajara, Mexico, 2022 Outcomes

The trade mission led to Fresno and Guadalajara assigning points of contact to carry out joint educational, cultural, and economic initiatives. Less than two years after cities signed a nonbinding memorandum, Alaska Airlines became the first domestic airline to offer a direct flight between the two cities. This is an indication of increased tourism and business demands following the establishment of the economic partnership.⁷⁶

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