



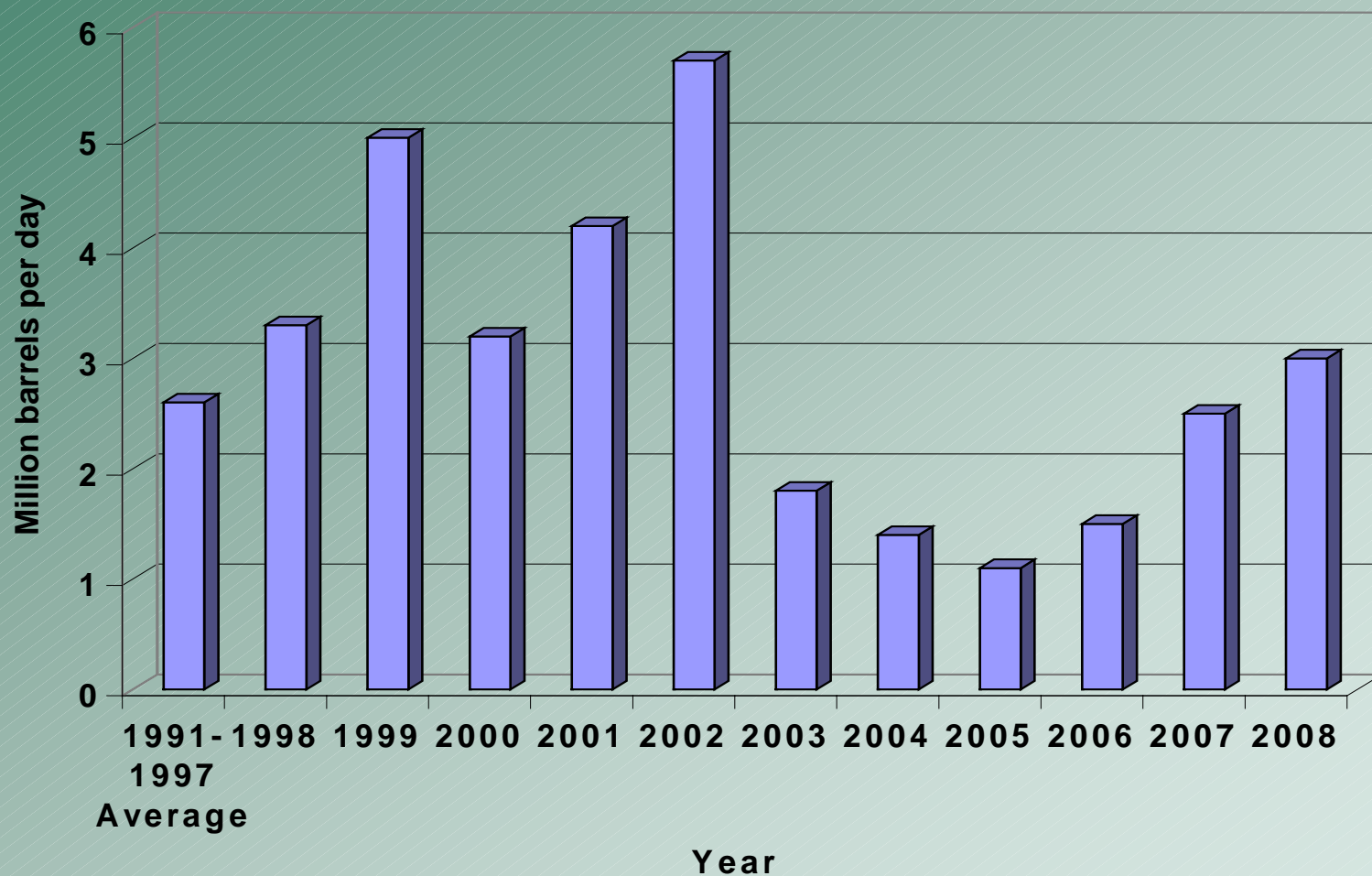
Alaska Economic Outlook 2007

Patrick Burden

January 2007


northerneconomics

Surplus Global Oil Production Capacity



Commodities Index



\$CRB (Reuters/Jefferies CRB Index) INDX

12-Jan-2007

— \$CRB (Daily) 290.62

▒ Volume under

© StockCharts.com
Open 285.97 High 290.70 Low 285.38 Close 290.62 Chg +4.56 (+1.59%) ▲



Federal Tax Deposits Fiscal Year to January 11



Economic Drivers for 2007



- **Lower oil prices in 2007**
- **Mineral prices are lower**
- **Iraq war and reduced federal dollars**
- **Congressional delegation is in the minority**
- **Low unemployment rates in Alaska**
- **Alaska housing starts and inventory**
- **State capital and operating budget?**

Our Outlook Measures



- **Gross State Product (GSP)**

- Includes the value of all goods and services less the cost of goods used in the production; a measure of the wealth created by labor and capital located in Alaska

- **Number of jobs**

- Includes military and self-employed residing in Alaska

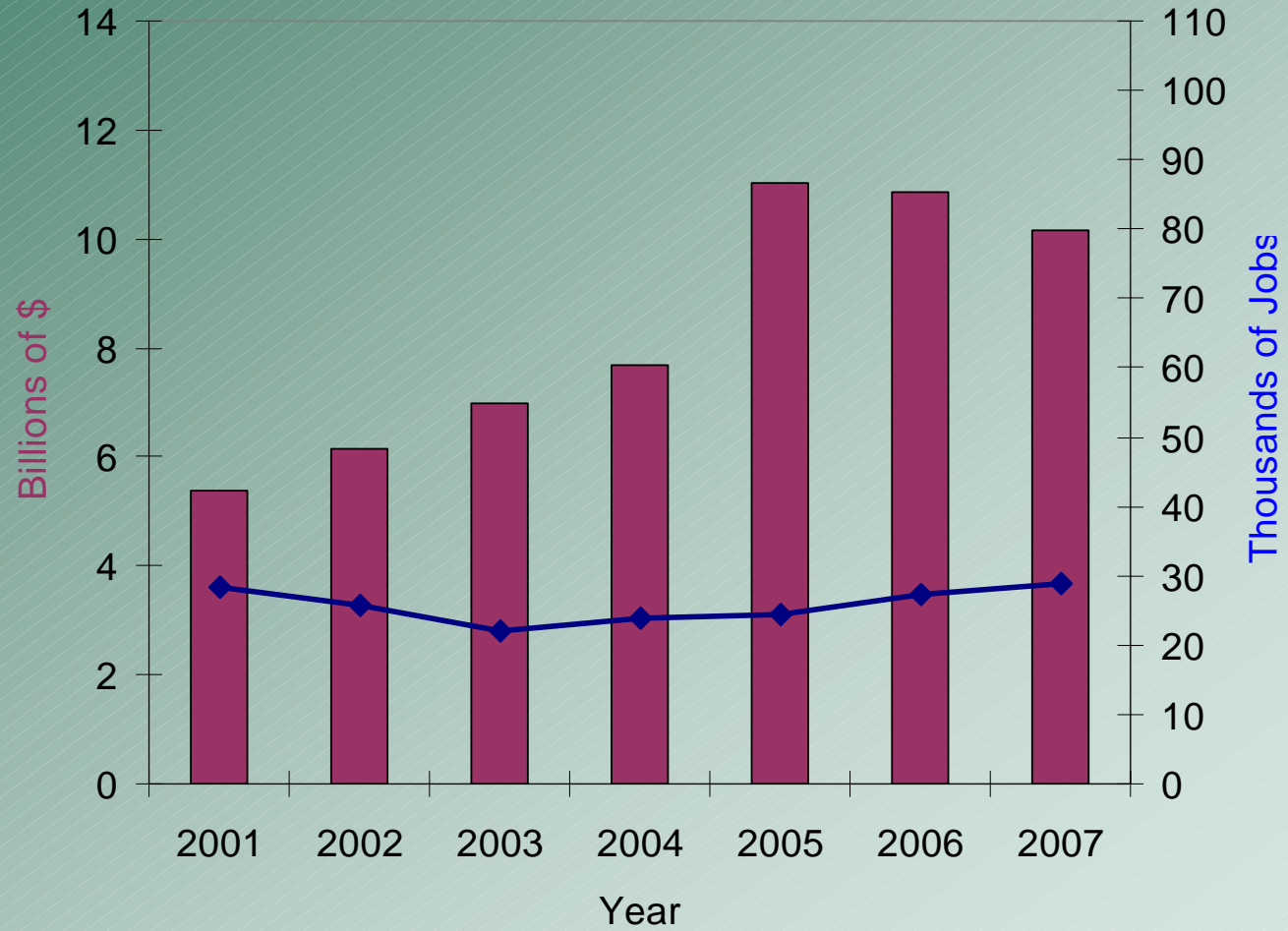
- **Earnings**

- Includes wages and salaries, proprietor's income, and contributions to pensions and social security

Natural Resources



-0.7
\$10.1



+1,600
28,800

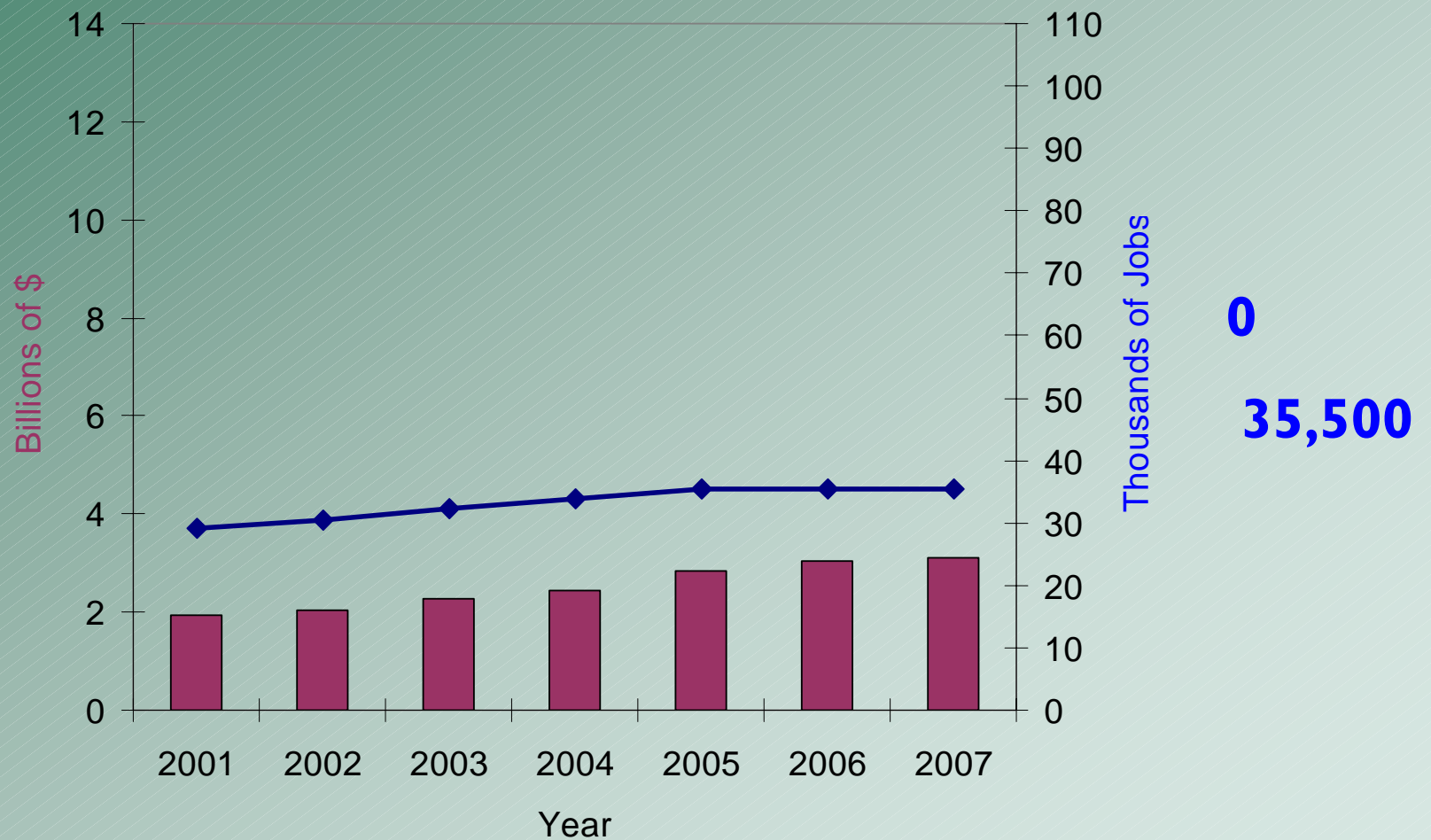
Transportation & Utilities



Construction & Manufacturing



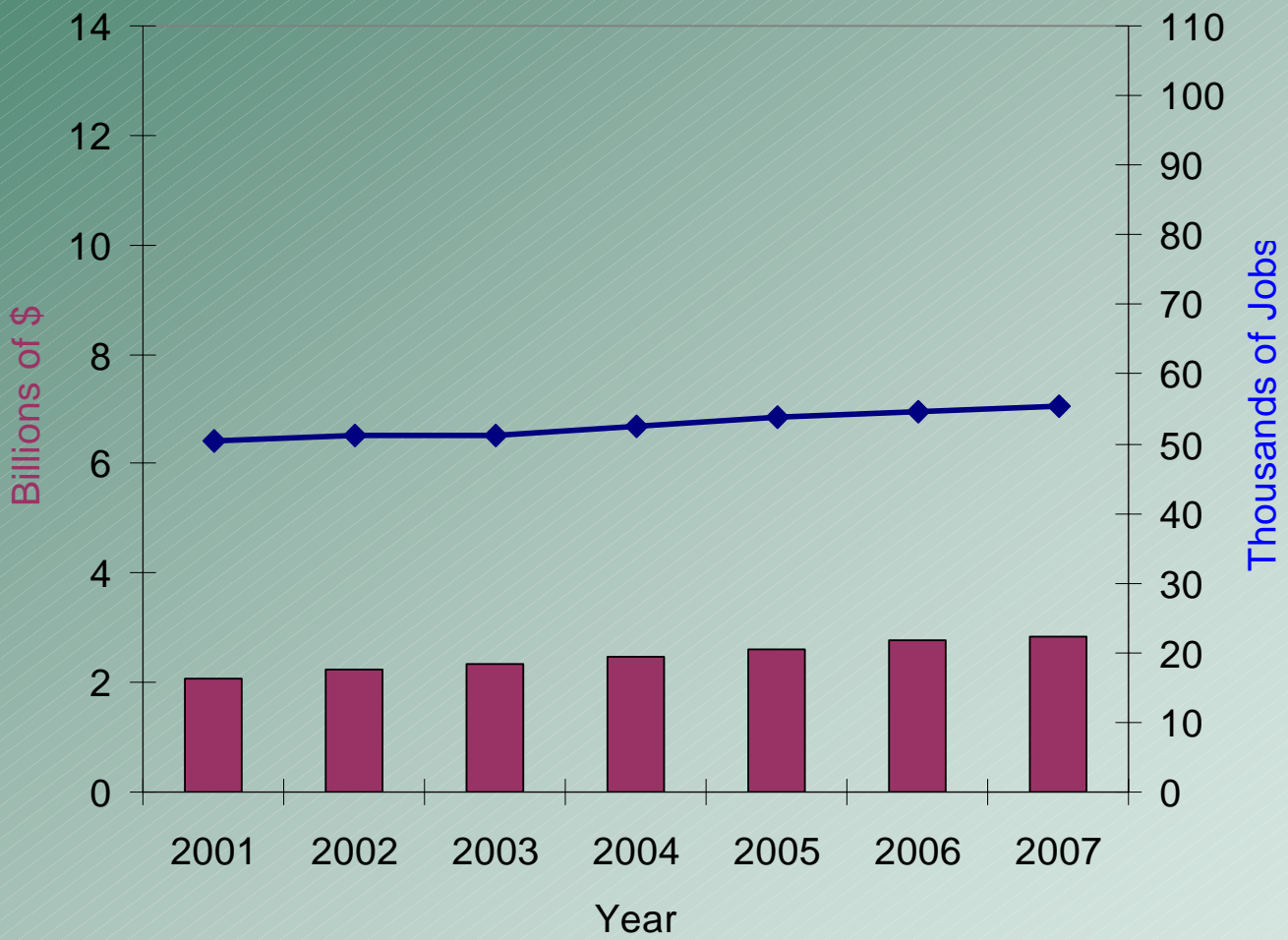
0.0
\$3.1



Trade

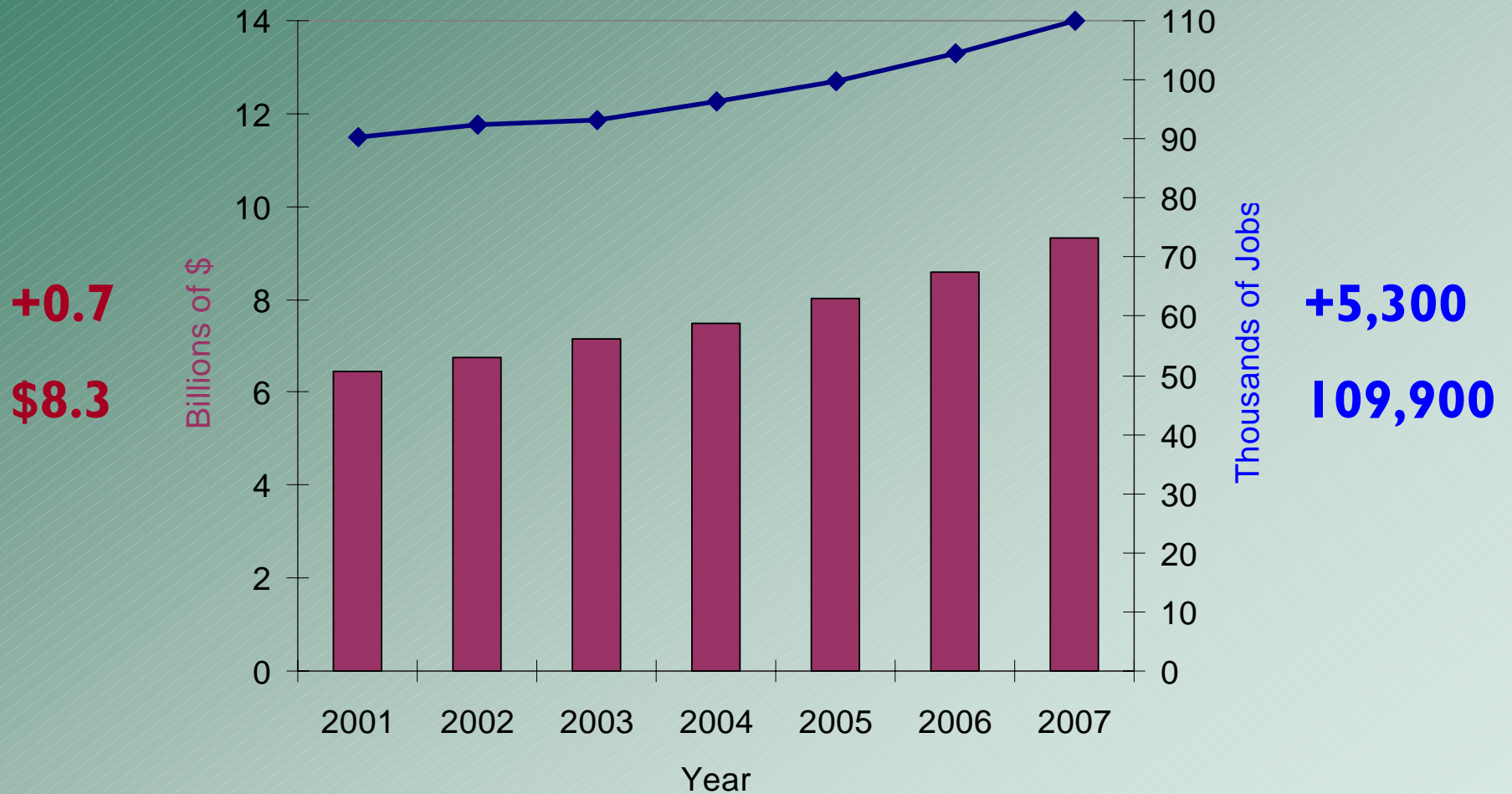


+0.1
\$2.9

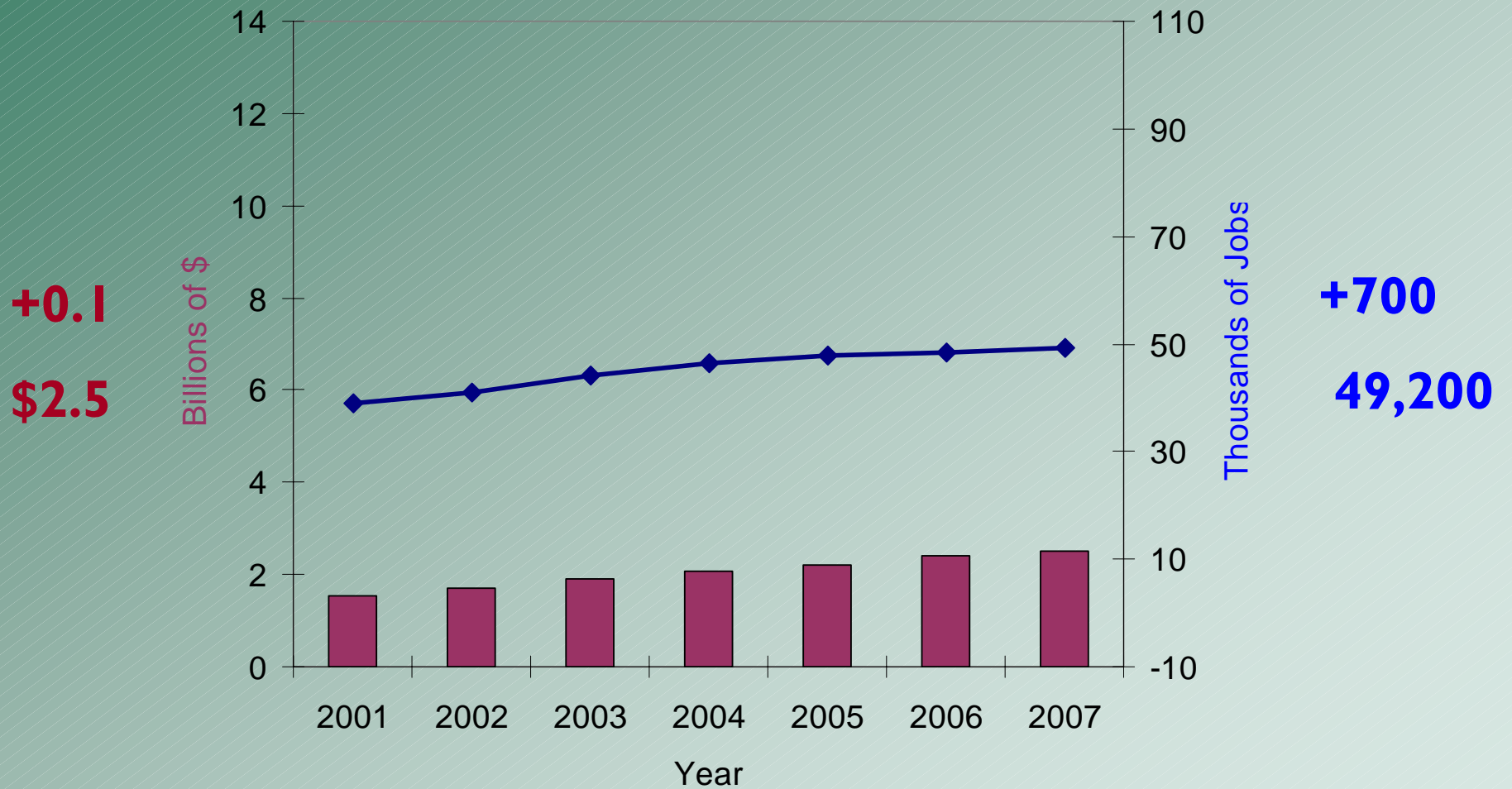


+700
55,500

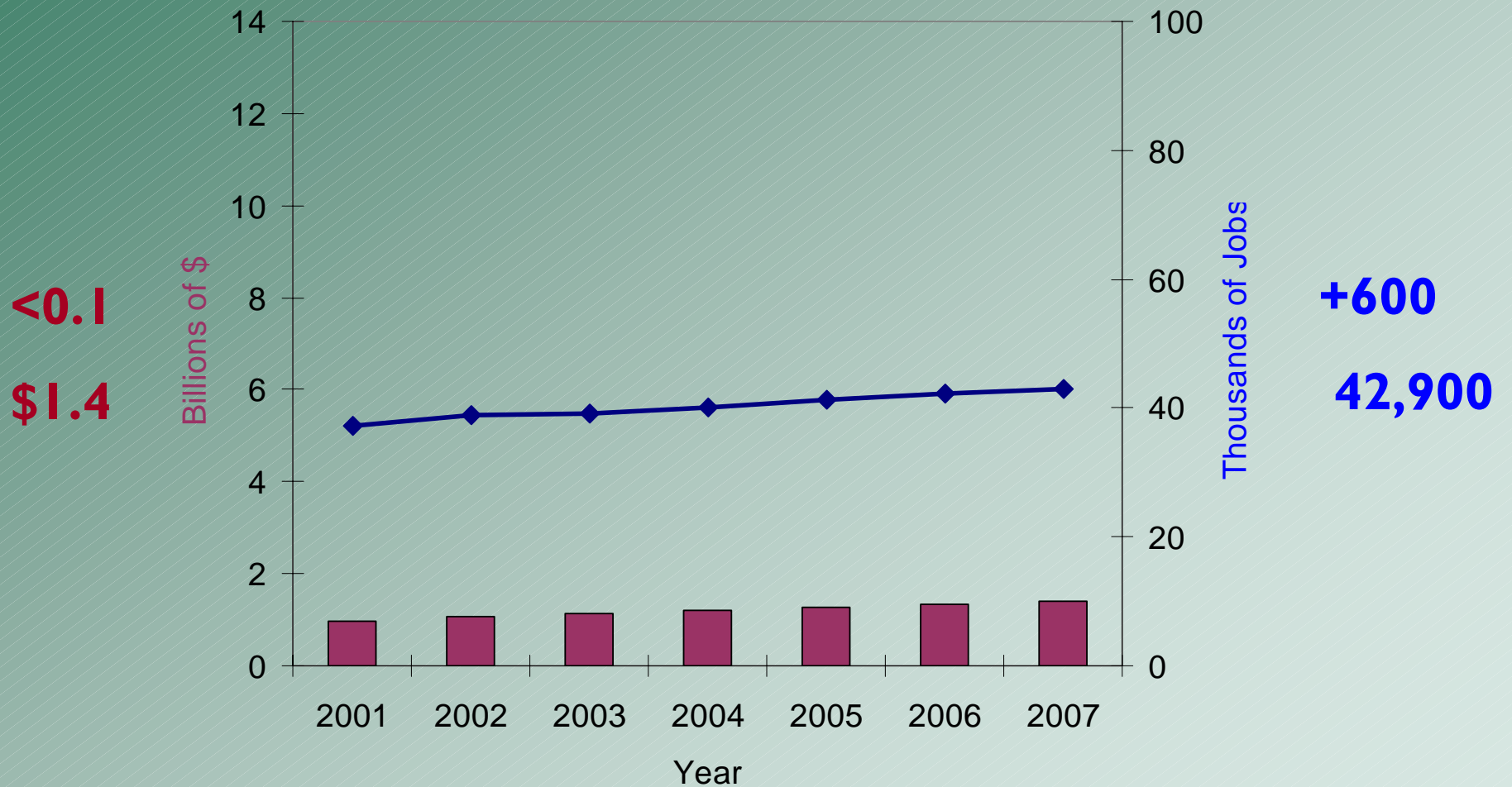
Finance & Services



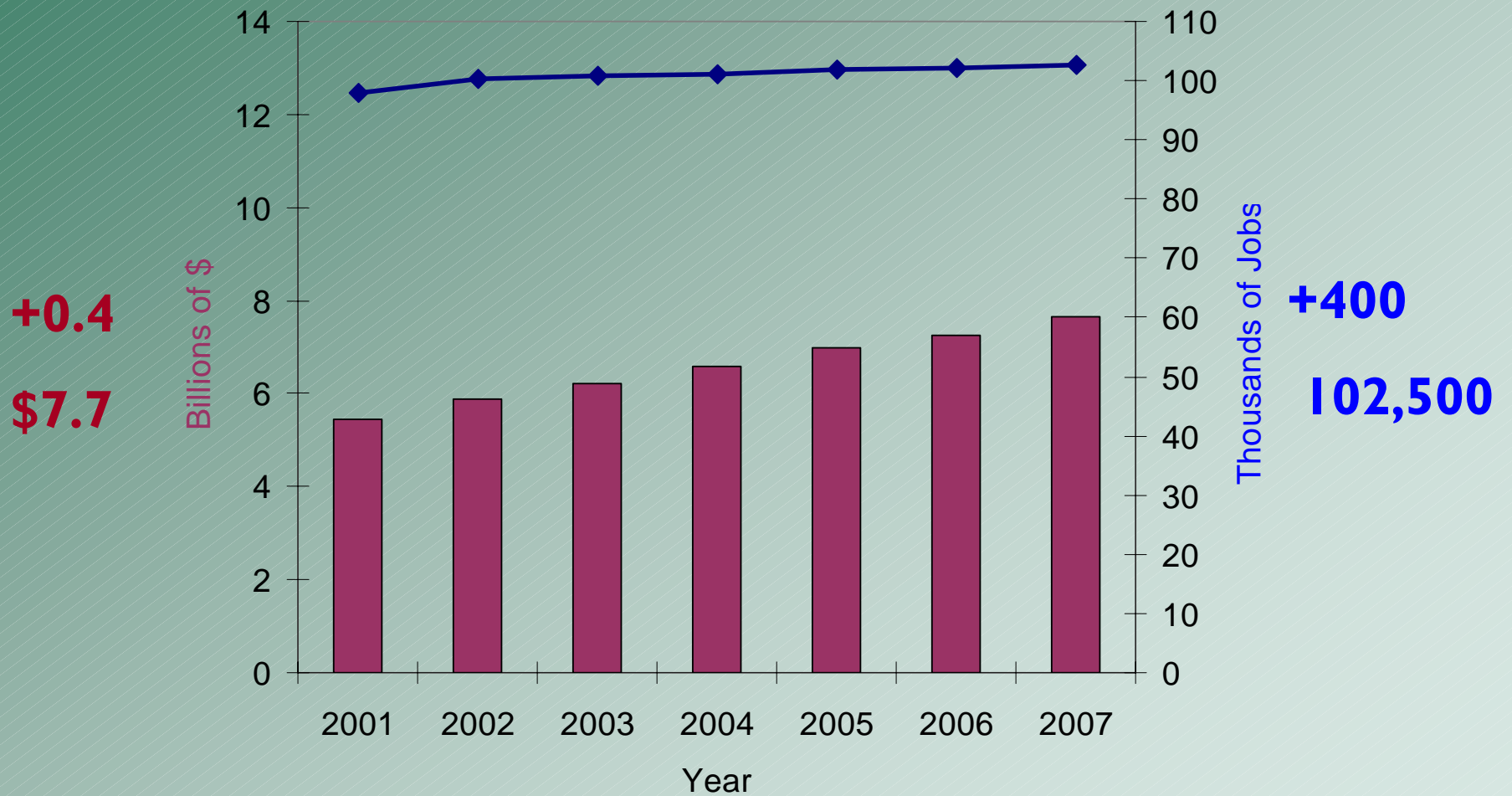
Health & Education



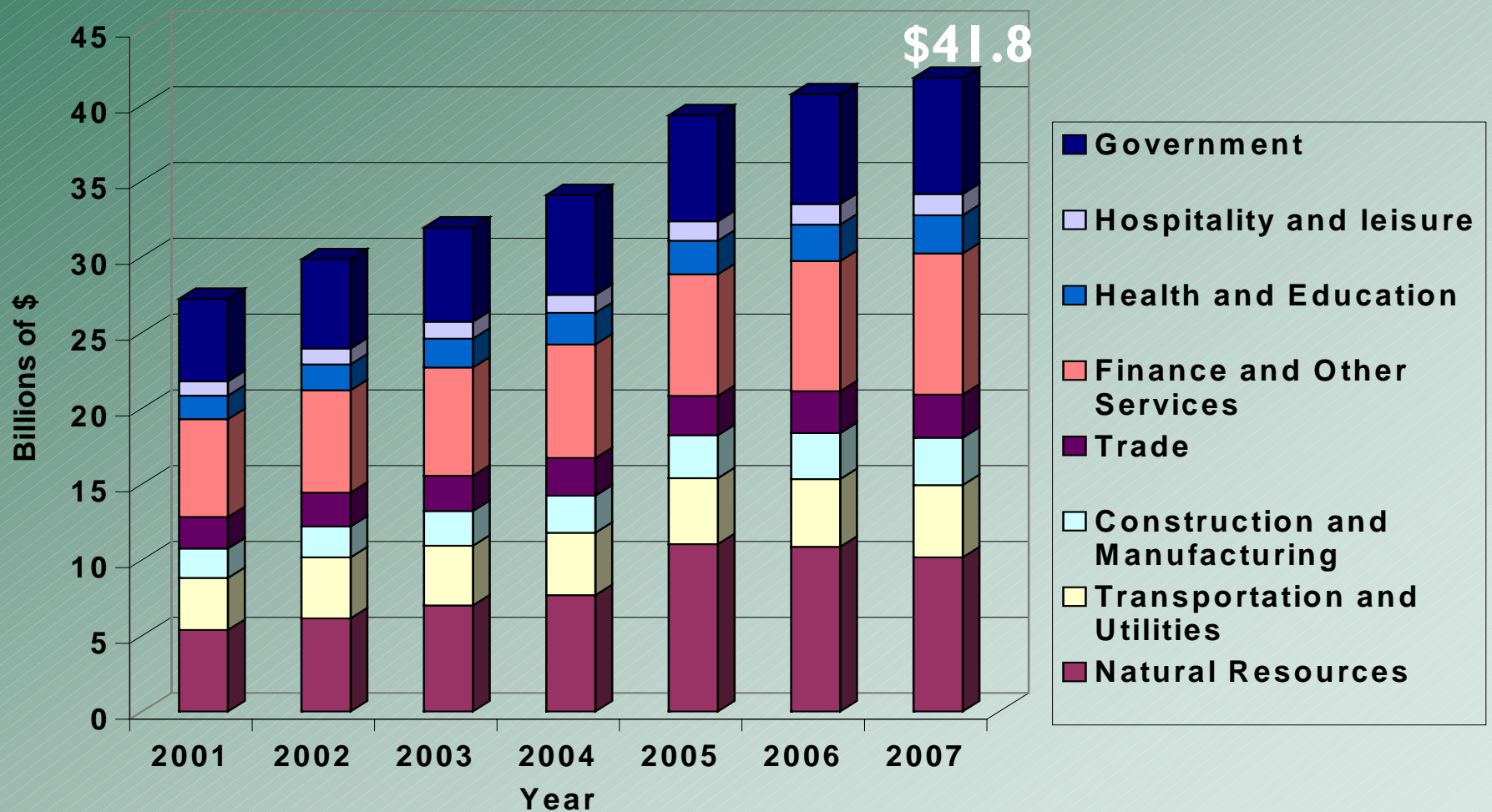
Hospitality & Leisure



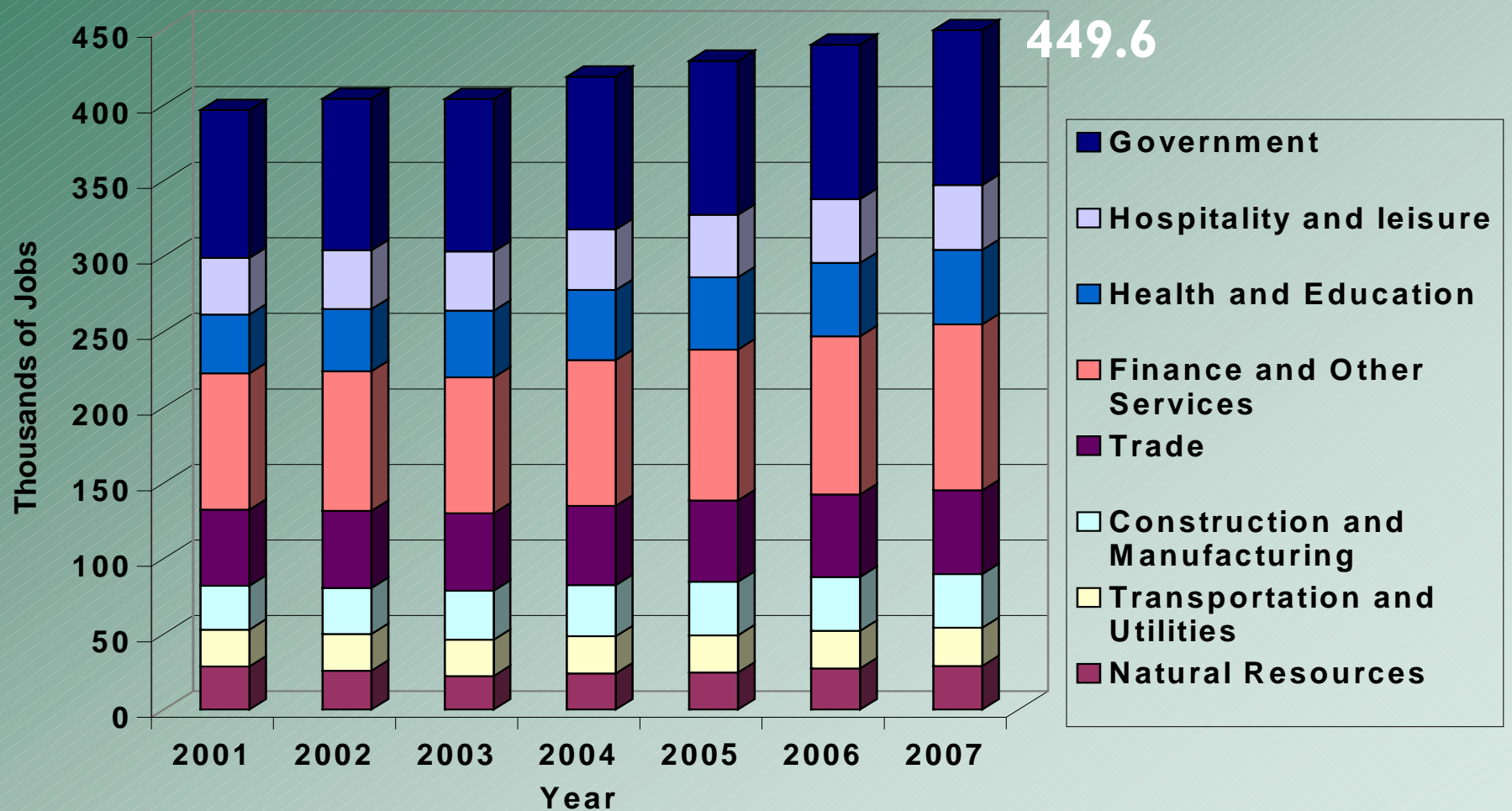
Government



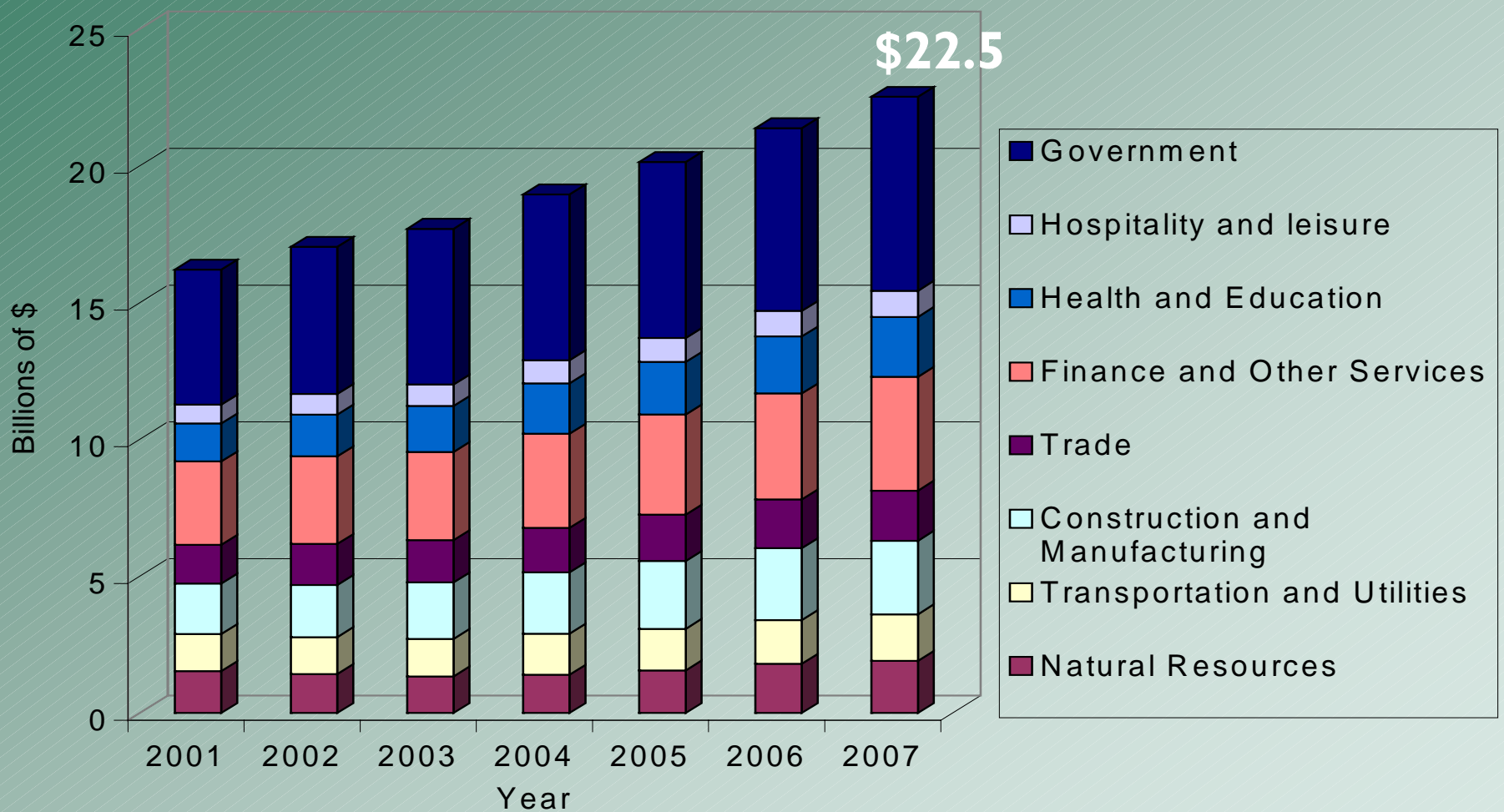
GSP by Sector



Jobs By Sector



Earnings by Sector



Summary



■ 2007 Outlook

- Oil price of \$49 per barrel
- \$41.8 billion in GSP (+2.7%)
- 450,000 jobs (+2.2%)
- \$22.5 billion in earnings (+5.4%)