

Alaska's Role in the Global Marketplace

The Importance of International Trade to
Alaska's Economy

By: Greg Wolf, Executive Director

World Trade Center Alaska

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International Trade is Big Business for Alaska

- Annual Worldwide Exports totaled some \$3.7 billion in 2008

This represented:

- Nearly 10% of the Alaska's Gross State Product (GSP)
- New Money into Economy
- Thousands of Direct and Indirect Jobs

Results in:

- Stronger, More diversified Economy



Why Trade Matters

- Substantial component of Alaska's economy. Exports account for approximately 10% of the GSP. Export total does not include the export of services from Alaska—such as construction, engineering and oil and gas services.
- Exports bring nearly \$4 billion of new money into our economy. New money, not recycled money.
- Export jobs are high paying jobs. Export-related jobs typically pay 13 to 16% more than jobs tied solely to domestic economy.
- Exports allow companies to become larger through expanded markets and customer base.
- For some Alaska companies, their best bet for growth is overseas markets.



How Does Alaska Rank?

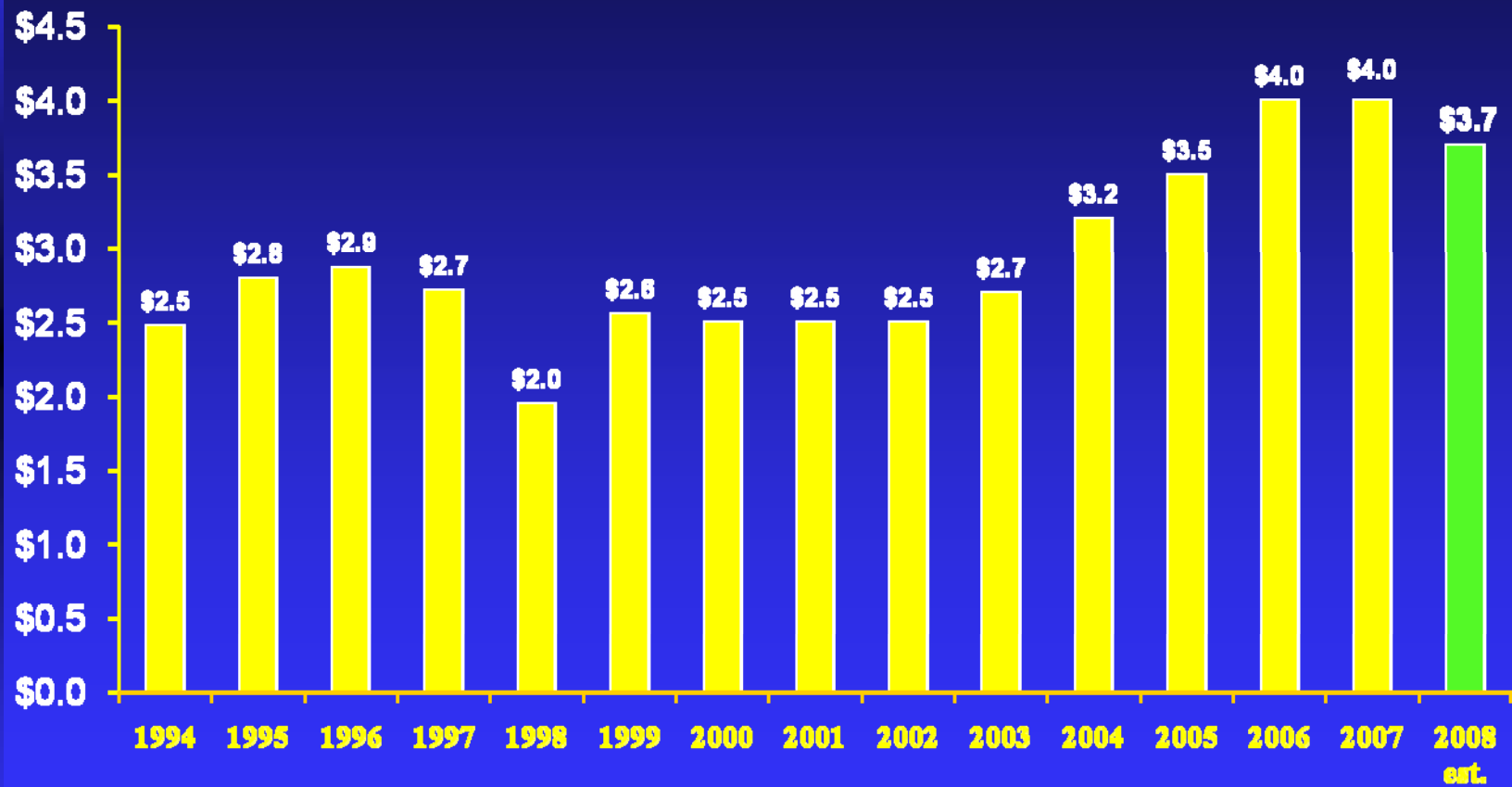
- Alaska is one of the most trade-oriented states in America:
- In absolute terms, at \$4.0 billion, Alaska ranks 42nd among all states
- On a per-capita basis, Alaska ranks 4th
- Exports as a percentage of Gross State Product (GSP), Alaska ranks 8th in the nation
- Foreign direct investment: Alaska ranks 8th in attracting overseas investment (\$31 billion cumulative)

(*rankings based on full year 2007 results)



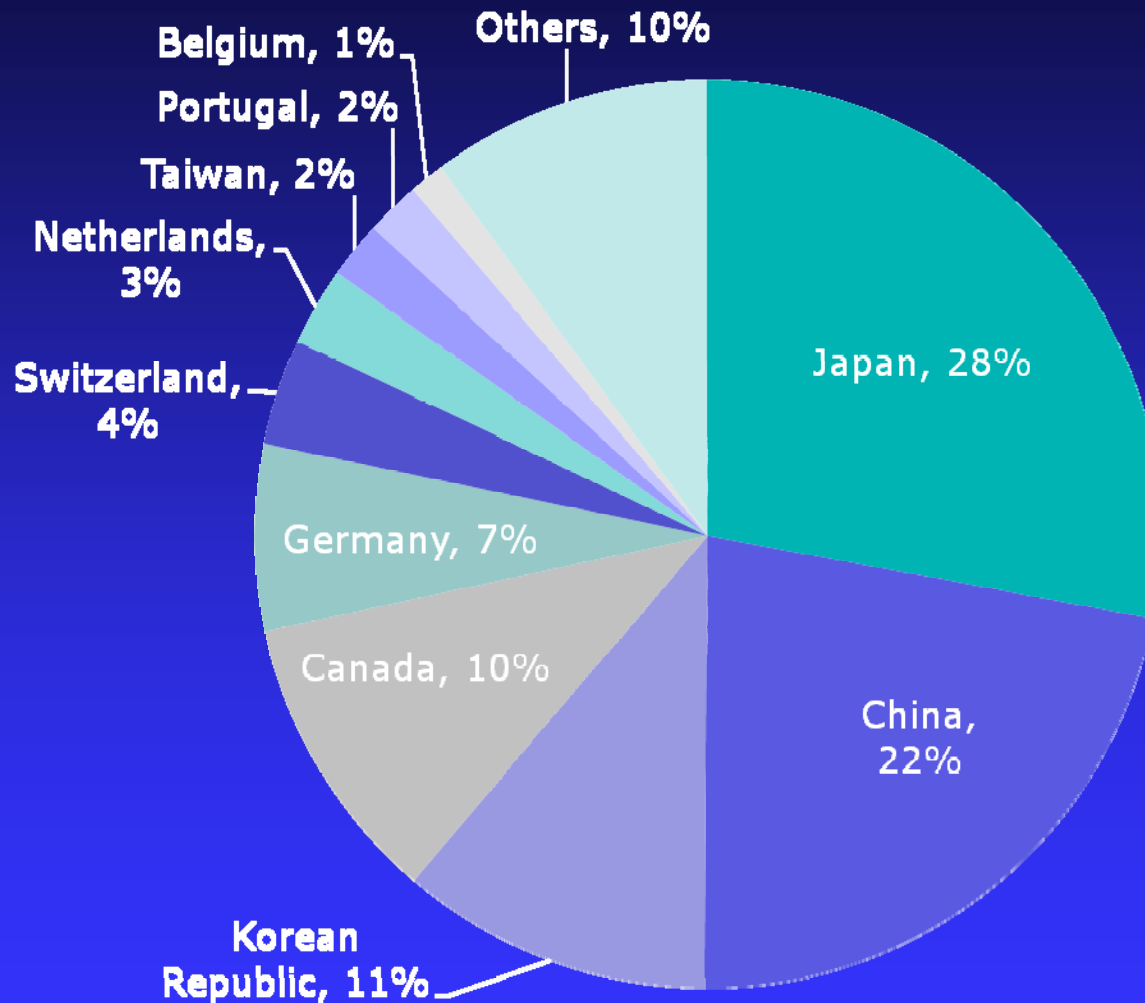
Alaska Worldwide Exports

In Billions



Alaska's Top Ten Export Markets 2008

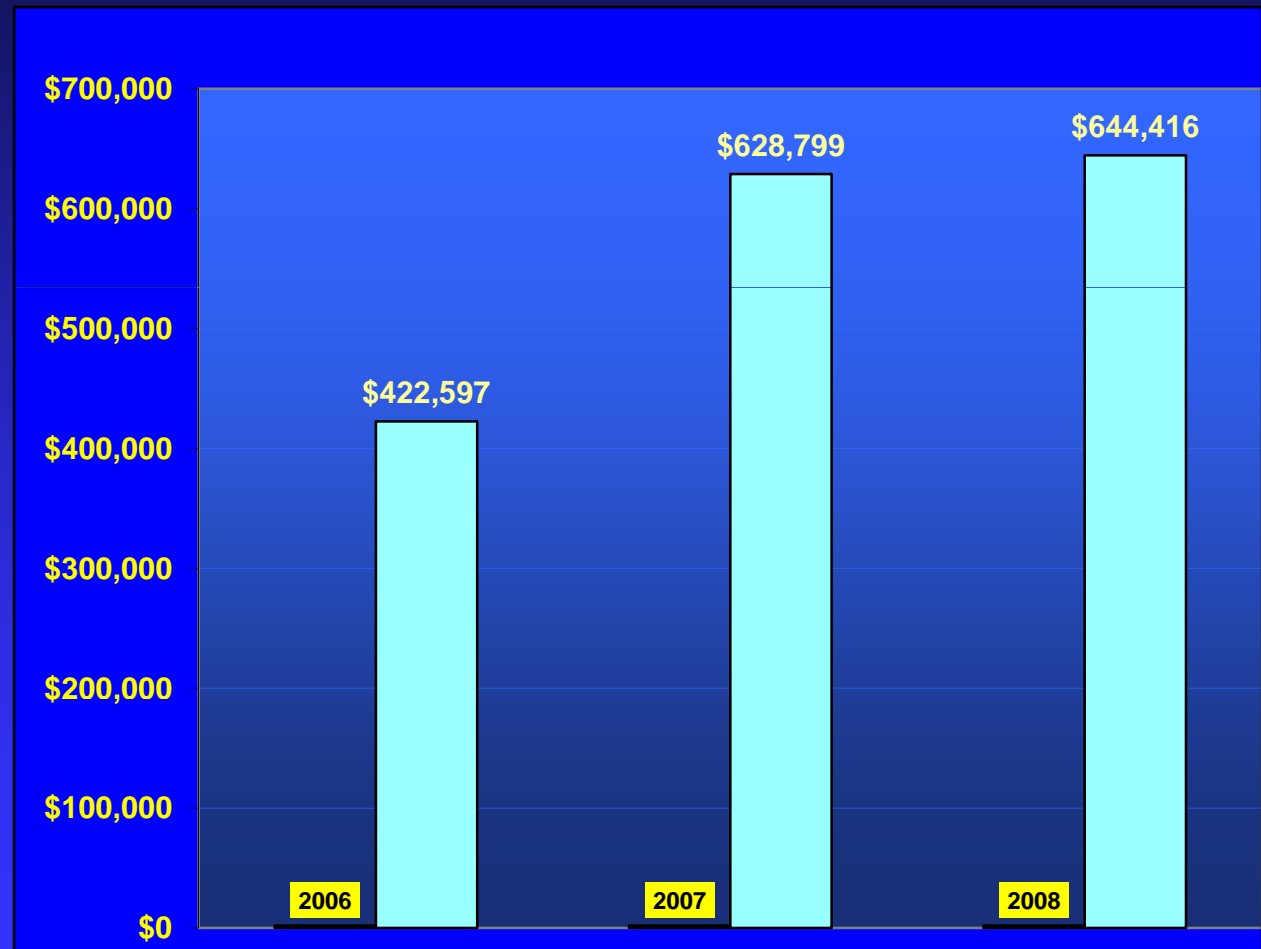
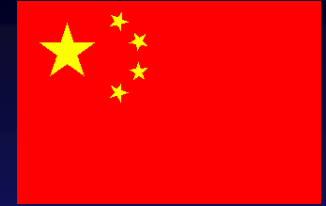
January - September 2008



Source: U.S. Census Bureau, SOA, Governor's Office of International Trade



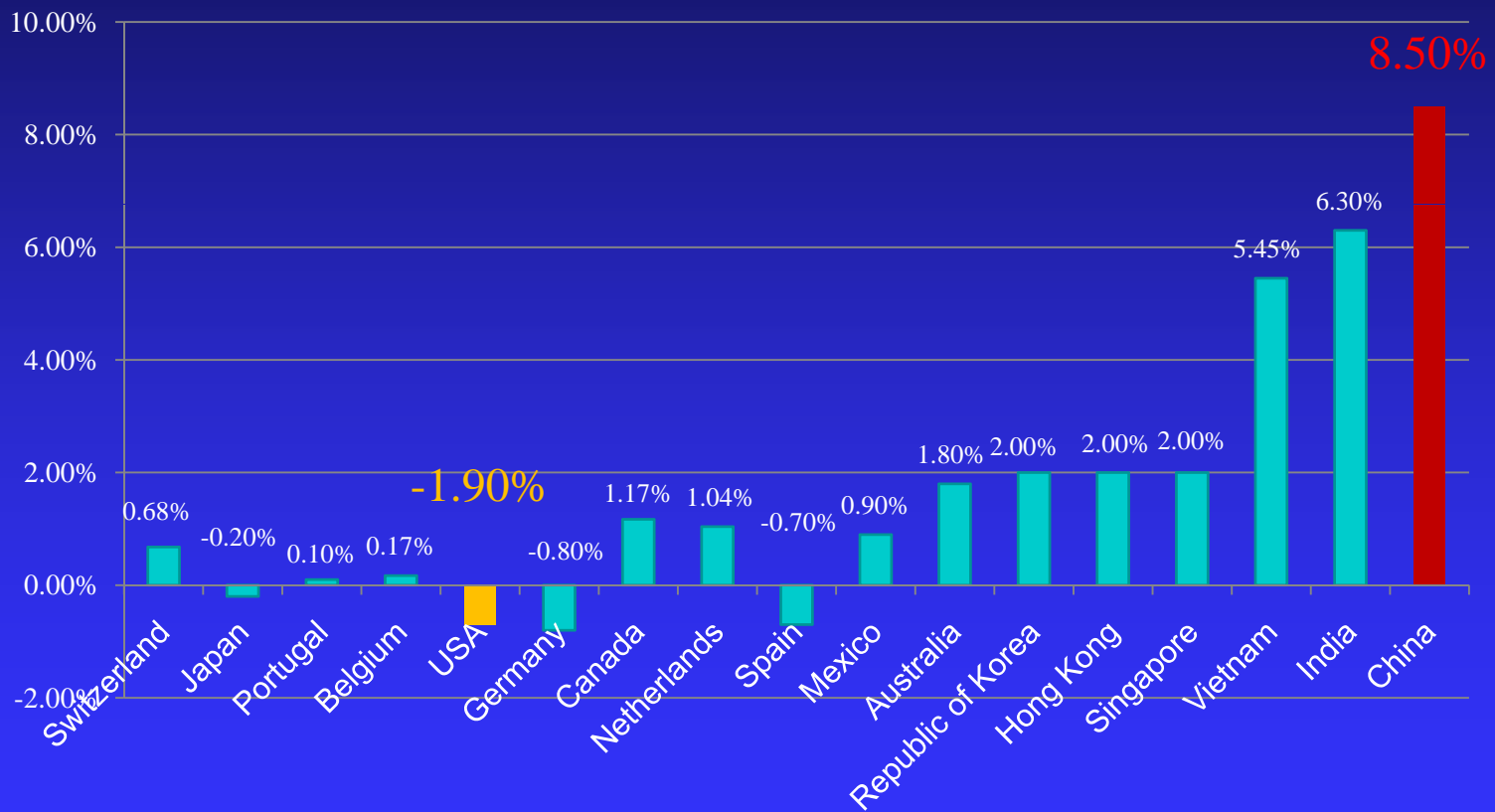
Alaska's Total Exports to China 2006-2008 Comparison (millions of USD) January – September



Source: U.S. Census Bureau, SOA, Governor's Office of International Trade



Greater Economic Growth Overseas in 2009

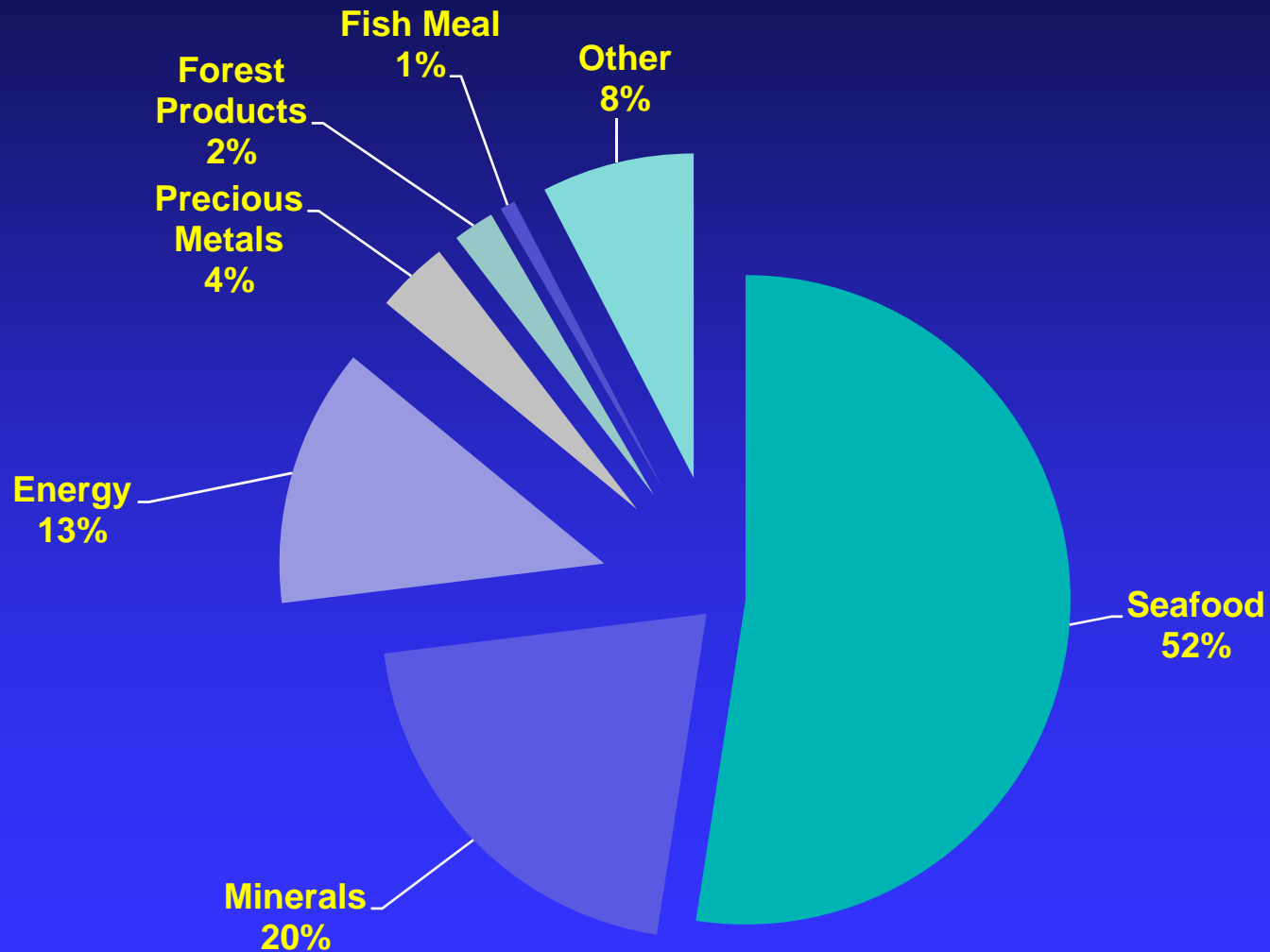


Source: International Monetary Fund Projection (as of November 2008)



Alaska's Top Export Products 2008

January –September 2008



Source : US Census Bureau, State of Origin data



Alaska's Service Sector Exports

- Revenues difficult to calculate—USDOC does not record and report service exports as they do commodity exports
- WTCAK estimate is \$500 to \$750 million annually—probably understates actual total
- Service sector exports from Alaska include: oil and gas field services, construction, engineering, transportation and logistics, architecture and environmental services
- Countries where Alaska companies have provided services include: Canada, Russia, Taiwan, China, Korea, Middle East, and others

Why Alaska Companies?

- Alaskan firms have developed world-class capabilities and are now finding customers overseas
- Alaskan firms have gained experience and expertise in carrying out projects in remote locations, with extended supply chain challenges, in often-harsh weather/climactic conditions, under stringent environmental regimes, and lack of local trained labor and suppliers
- Relationships with multi-national companies create opportunities outside of Alaska
- These skill sets, experiences, and relationships can translate to other similar regions (e.g. Canada, Russia) and to non-similar regions (Middle East, Africa, etc)



2009 Trade Outlook

- Results will depend heavily on commodity prices—minerals and metals, and value of seafood catch
- Effect of U.S. economic slowdown on Asian exporting countries—which are among Alaska's best customers—will strongly impact Alaska's exports in '09
- Watch the dollar--a weaker dollar makes U.S. exports relatively cheaper
- Loss of fertilizer's exports with Agrium closure
- Exports slightly down in 2009
- 2009 Forecast: \$3.5 to 3.6 billion—down, but still near upper range of results during past 15 years



Mission

On behalf of members and community partners, the mission of World Trade Center Alaska is to assist Alaskans to successfully compete for trade and investment in the global market place.



Core Functions

- Trade Capacity
- Trade Development
- Trade Service
- Trade Facility
- Trade Network

Activities & Programs

- One-on-one trade counseling
- Market research
- Conferences, seminars, monthly luncheons
- Trade missions

Serving Alaska's Business Community Since 1987



Phone: (907) 278-7233

Fax: (907) 278-2982

Email: info@wtcak.org