



# Passport to Profit



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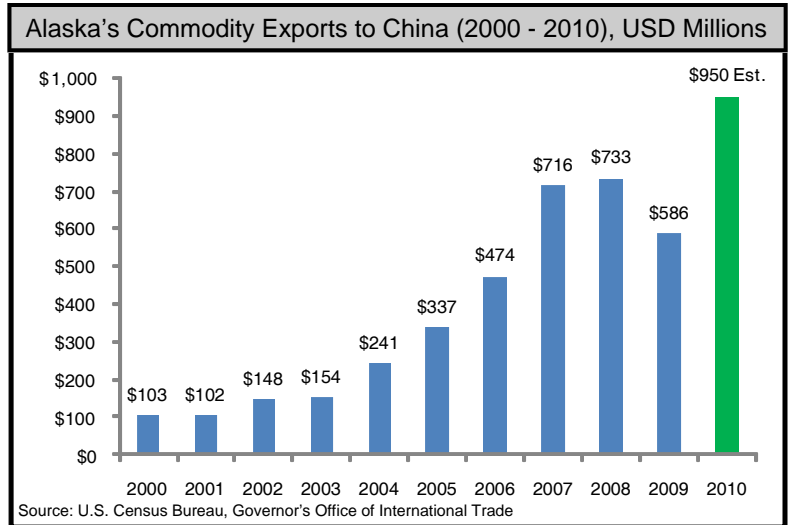
## China's Growth Benefits Alaska

Alaska's 'China Era' Continues To Prosper

By Greg Wolf

For the past three decades, the Chinese economy has been growing at a sizzling rate, averaging 10% per year. For 2011, the latest International Monetary Fund forecast calls for China's economy to grow at 9.6%. Not bad when you consider the same forecast sees the U.S. economy growing at just 2.6%.

**The rapid expansion of the Middle Kingdom's economy, now the second largest in the world, has certainly benefited Alaska's export industries.** China currently ranks as the state's second largest trading partner. Alaskan exports to China have risen from \$103 million in 2000 to as high as \$733 million in 2008. Reflecting the impact of the Great Recession (2008-2009), exports to China fell to \$586 million in 2009. However, in 2010, the value of export shipments to China has rebounded strongly: for the period of January through October, exports totaled \$859 million, a whopping 54% over the same period in the previous year. **When the final numbers are in for the full year, 2010 will easily be a record-setting year for Alaskan exports to China.** We are projecting approximately \$950 million.

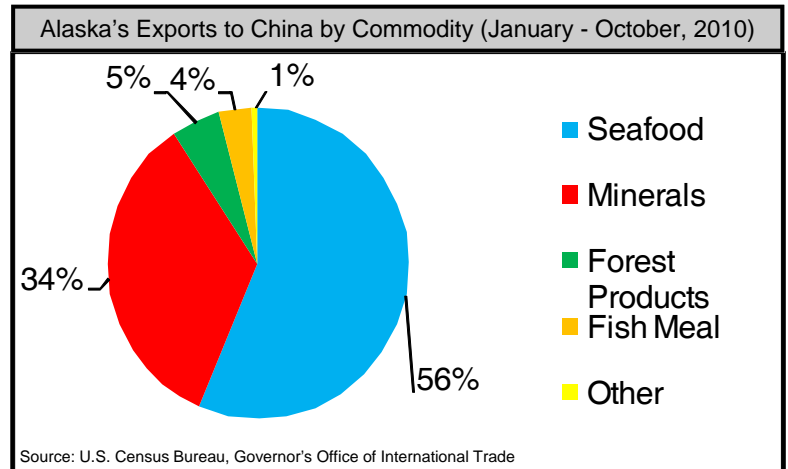


**Seafood is the largest export category**, representing 56% of the state's total exports to China. Some of the seafood shipped to China is for local consumption, and another portion is processed and then re-exported to other countries. Minerals, primarily zinc and lead concentrates, is the second largest category at 34%, followed by forest products and fishmeal.

**As we have suggested on a number of occasions, we see commercial ties between Alaska and China evolving and expanding.** Clearly, China is already a significant and important buyer of Alaska's exports. This we expect to continue for the foreseeable future. But also, in the years ahead, we anticipate that Chinese companies will become investors in major natural resource development projects in Alaska. There is considerable interest by Chinese companies in Alaska's vast energy and mineral reserves. As they have done in many other jurisdictions where these resources are abundant, we expect Chinese companies to establish joint ventures or other equity involvement in such development projects.

**Chinese cargo airlines have become an important customer at the Ted Stevens Anchorage International Airport.** There are currently five mainland cargo airlines operating through Anchorage, as well as one Hong Kong-based carrier.

**World Trade Center Alaska (WTCAK) has made China a major area of focus for our work.** Since 2005, for example, we have conducted six Alaska-China Business Conferences in Anchorage. During the same time period, we have led two trade missions of private and public sector officials to China. In addition, we have published a number of reports to keep Alaskans informed about trade opportunities with China and have hosted receptions for visiting Chinese dignitaries enabling them to meet informally with Alaskan business and government leaders.



To find out more about Alaska's growing trade ties with China, and how your company can participate, contact WTCAK.