



WORLD TRADE CENTER



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Passport to Profit

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Enter The Dragon

The 2000's To Be Alaska's "China Era"

By Greg Wolf

In Alaskan trade circles, 2005 will go on record as the year China became the state's third largest trading partner, a position held for many decades by our next-door neighbor, Canada. Driven by strong demand and higher prices for natural resources, exports to China have surged dramatically in recent years, up more than 200% just since 2001. All signs point to a continuation of this growth in 2006.

Through the 90's and up to 2001, Alaskan exports to China hovered in the \$100 million range. Beginning in 2002, however, export shipments to China began to take off: \$148 million in 2002, \$154 million in 2003 and \$242 million in 2004. For the full year ending 2005, we anticipate exports to reach some \$335 million. This is truly remarkable growth in a very short period of time.

Seafood is the primary export commodity from Alaska to China, accounting for 71% of the state's total exports to the country. The second-largest export is seafood for non-human consumption, such as fishmeal. The three other significant export categories are minerals, fertilizers and forest products (primarily whole logs). In addition to commodity exports, there are a growing number of Alaska service sector companies (in areas such as oil and gas field support, project management and other technical services) who have opened offices in China and are exporting Alaskan "know-how" to customers and partners in the country.

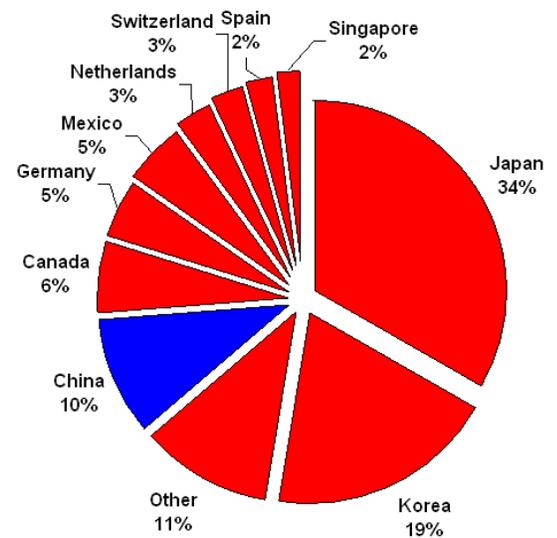
World Trade Center Alaska (WTCAL) has made China a major focus of its efforts. Through our "China Calling" program, WTCAL is conducting an ongoing series of activities and events designed to assist Alaskans to identify and pursue business opportunities in China. In 2005, events included the 1st Alaska-China Business Conference and activities included the Alaska Trade Mission to Shanghai and Beijing.

In carrying out this program, WTCAL works closely with our trade colleagues at the State of Alaska and the Alaska Export Assistance Center. We are also working cooperatively with other organizations, including the Anchorage Economic Development Corporation and the University of Alaska, Anchorage who are working to develop business and education ties between Anchorage and China.

Looking back, Alaska's pioneering trade development in the '60's and 70's in Japan, and later with Korea in the '80's and '90's, has paid handsome dividends. Alaska's exports to those countries grew dramatically as those countries rose to economic prominence. Now comes China, Asia's big dragon. Our state is well positioned to benefit, perhaps even exceeding our previous successes, as the "China Era" for Alaska commences.

Alaska's Export Markets

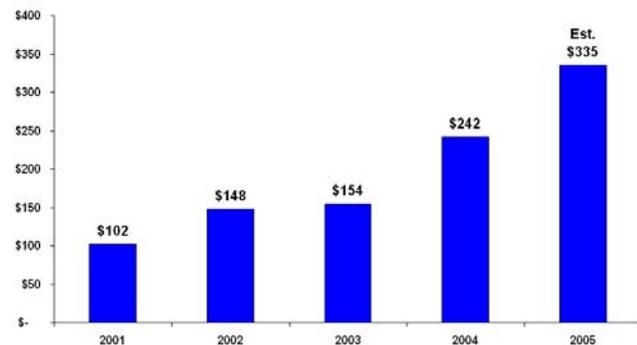
January - November 2005



Source: U.S. Census Bureau, Origin of Movement Series

Alaska's Exports to China

Yearly Totals - in Millions



Source: U.S. Census Bureau, Origin of Movement Series