

A World of Opportunity:

An Update on Alaska's International Trade.
Trends and Outlook Moving Forward

Presented by Greg Wolf, Executive Director, World Trade Center Alaska

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- House Special Committee on Economic Development, Trade & Tourism
- Senate Special Committee on World Trade





History of the Trade Center

- Established in 1987 by the University of Alaska
- In 1998, transitioned to private, non-profit corporation
- Governed by 18-member, statewide board of directors
- Since 1998, annual partnership with the State of Alaska
- Since 2008, representing U.S. Department of Commerce for Trade in Alaska
- Since 2009, annual partnership with the University of Alaska
- Approximately 100 members statewide

A World of Opportunity:

An Update on Alaska's International Trade. Trends and Outlook Moving Forward.

- I The Numbers
- II The Trends
- III The Outlook
- IV The Trade Center

International Trade is Big Business for Alaska

- Overseas Exports estimated \$4.5 billion in 2012
- This represents 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
- How We Rank?
 - Alaska ranks 40th among all states by the value of exports
 - As a percent of GSP, Alaska ranks 14th
 - On a per capita basis, Alaska ranks 4th

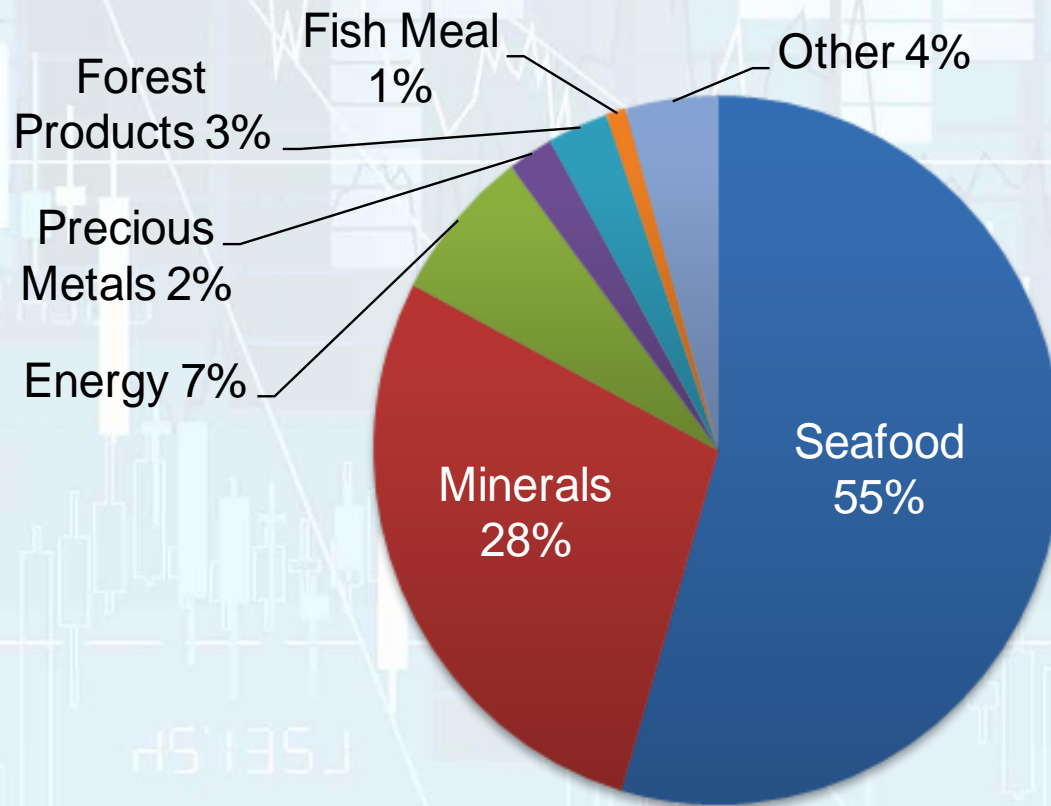
Why Trade Matters?

- Substantial component of Alaska's economy. Exports typically account for approximately 10% of the GSP. Export total does not include the export of services from Alaska — such as construction, engineering and oil & gas services.
- Exports now bring between \$4 and \$5 billion of new money into our economy. New money, not recycled money. Also, exports account for nearly \$2 billion in induced and indirect economic benefits, according to a study by Northern Economics.
- Exports allow companies to become larger through expanded markets and customer base.
- For some Alaska companies, their best bet for growth is overseas markets.

Exports = Jobs

- Exports support nearly 15,000 direct and 10,000 indirect and induced jobs in Alaska
- Export jobs are high paying jobs. Export-related jobs typically pay 13-16% more than jobs tied solely to domestic economy
- According to the U.S. Department of Commerce, there are approximately 300 companies that export from locations in Alaska. 75% are considered SMEs.

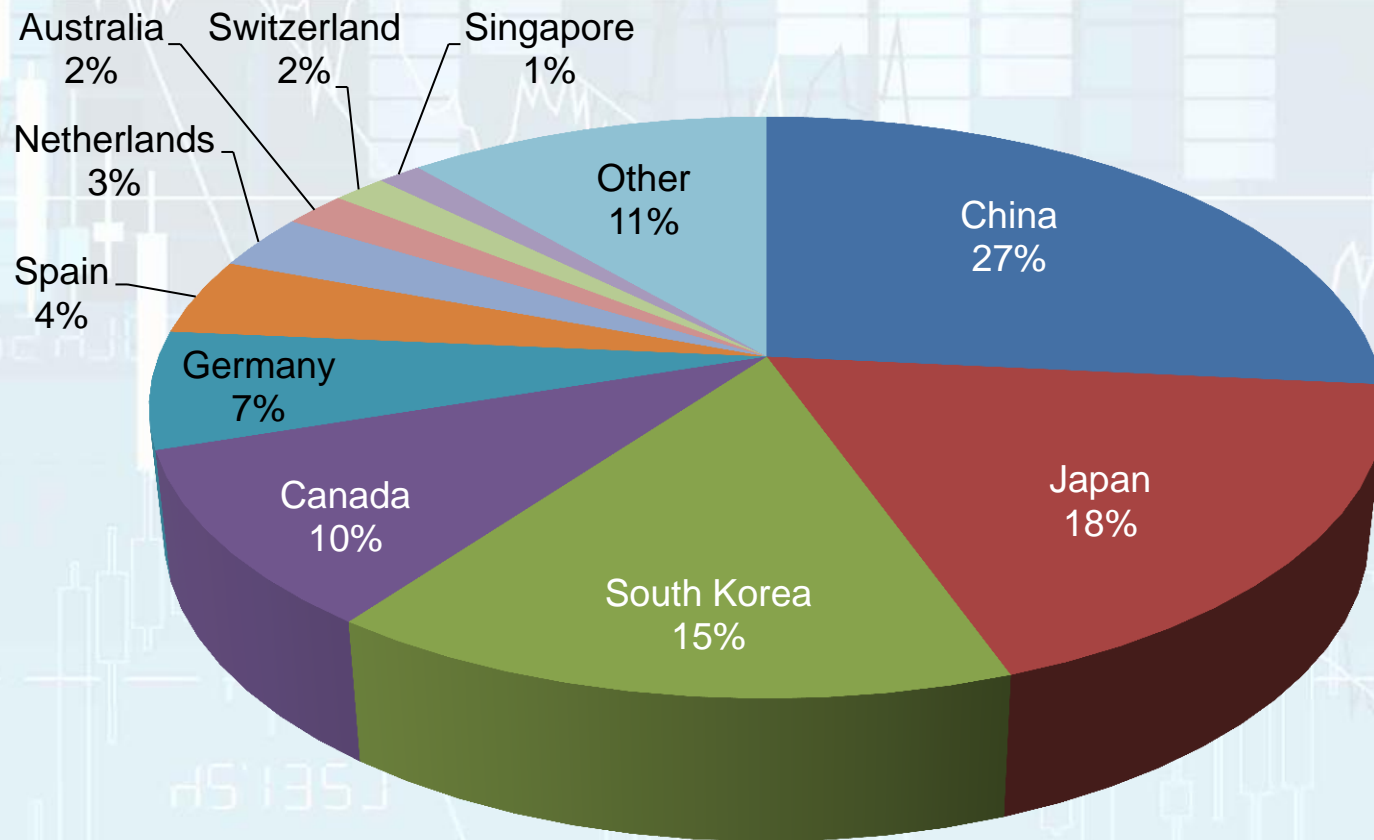
Alaska's Top Export Commodities, January–September 2012



Source: U.S. Census Bureau

Alaska's Total World Exports

January-September 2012 (\$3.47 Billion)



Source: U.S. Census Bureau

Alaska Worldwide Exports 1994 -2012

USD Billions



Source: U.S. Census Bureau

Alaska's China Era Continues

(2000 – 2012 Full Year Comparison)

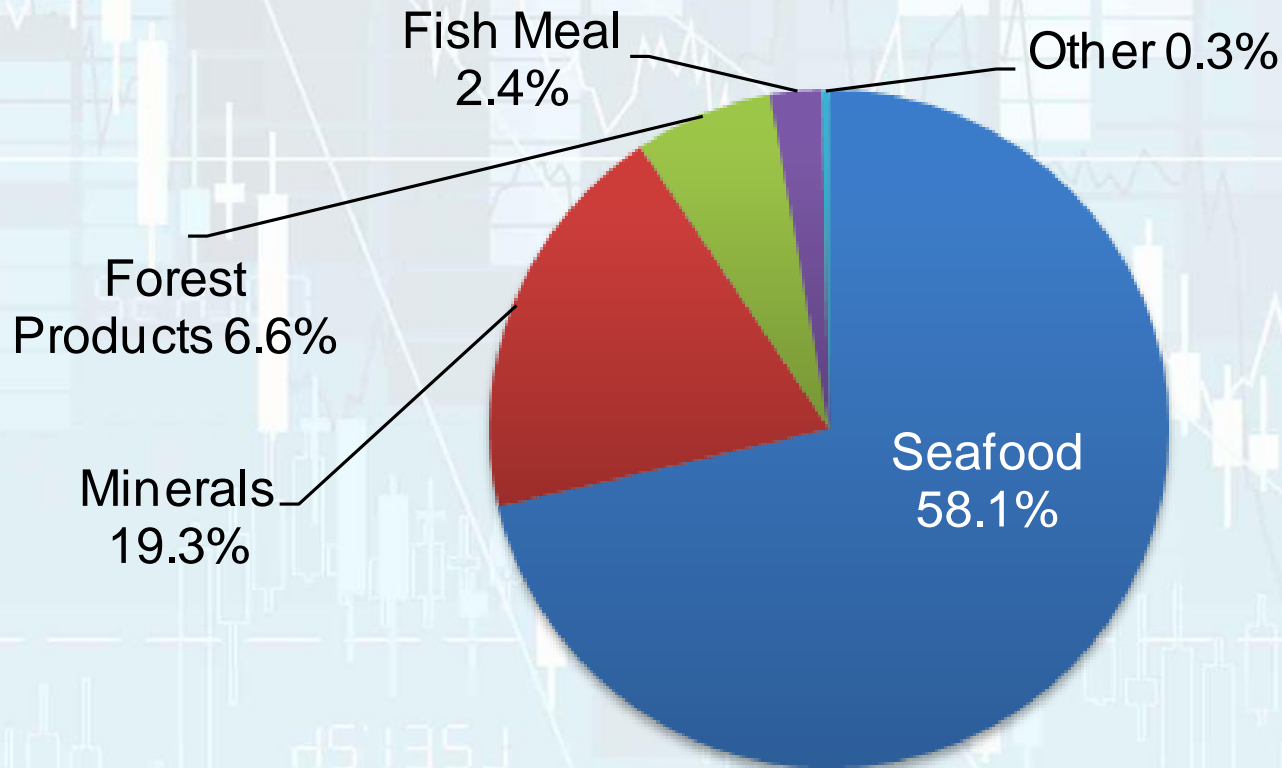
USD Millions



Source: U.S. Census Bureau

Alaska's Exports to China

(by Commodity), January-September 2012



The Trends: The Three “Rights”

- Right Place

Alaska's geographic location on the Pacific Rim. Fast growing economies and populations.

- Right Time

Economic liberalization and modernization. Migration to the cities and growth of the middle class.

- Right Commodities

Alaska has world-class reserves of natural resources. The building blocks of economic development. What people need versus what they want.

The Outlook

- **Why am I optimistic?**
 - We have what the world needs
 - We have fast-growing economies and populations in our backyard
 - Commercial development of the Arctic presents significant opportunities for Alaska

The Outlook (continued)

- Many resources remain untapped – for example, minerals & metals:
 - Coal – 17% of the world's coal; 2nd most in the world
 - Copper – 6% of the world's copper; 3rd most in the world
 - Lead – 2% of the world's lead; 6th most in the world
 - Gold – 3% of the world's gold; 7th most in the world
 - Zinc – 3% of the world's zinc; 8th most in the world
 - Silver – 2% of the world's silver; 8th most in the world
- North Slope natural gas

2013 Trade Forecast

- Exports to be \$4.5 – 4.7 billion in 2013, consistent with 2012 level
- Primarily commodity price driven (seafood, minerals, metals)
- Watch the dollar – a weaker dollar makes U.S. exports relatively cheaper
- Watch Pacific Rim economies (China, Japan, Korea) for strength or weakness



About the Trade Center

- WTCAK is a private, non-profit membership organization providing international business services to members and community partners across the state
- Our mission is to assist Alaskans to successfully compete for trade and investment in the global market place
- WTCAK is a part of a global network of over 300 WTCs around the world



Core Functions

- **Trade Capacity**
 - Help Alaska Companies to become export ready through information, seminars, conferences, and other technical assistance.
- **Trade Development**
 - Research foreign markets and identify trade opportunities for Alaska companies.
- **Trade Services**
 - Support Alaska companies with the information and hands-on assistance needed to make trade happen. Connect Alaska sellers with overseas buyers.
- **Trade Facility**
 - Make available office and conference room setting to facilitate business meetings and events.
- **Trade Network**
 - Provide members with access to facilities and support in more than 300 cities around the world.

“Boots On The Ground” Strategy



During the past 10 years, WTCAK has led missions to a variety of countries, including: China, Korea, India, Taiwan, Singapore, and Canada



WTCAL Trade Development Programs



Japan Focus

ジャパン フォーカス



Japan Focus is a trade development program of World Trade Center Alaska. The program provides information and services to Alaskans seeking to do business in Japan.



CHINA CALLING

中国

China Calling is a trade development program of World Trade Center Alaska. The program is designed to assist Alaskans to identify and pursue business opportunities in China.



CANADA: Opportunities Next Door



Canada: Opportunities Next Door is a trade development program of World Trade Center Alaska. The program helps Alaskans to pursue business opportunities in Canada.



KOREA Connection



Korea Connection is a trade development program of World Trade Center Alaska. The program offers information and assistance to Alaskans seeking to do business in Korea.



New Markets

New Customers



New Markets-New Customers is a trade development program of World Trade Center Alaska. The program aims to identify new export markets for Alaskans and assist them to pursue opportunities in these markets.



WORLD TRADE CENTER ALASKA

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