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UNIVERSITY OF ALASKA, ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

ALASKA CENTER FOR
INTERNATIONAL BUSINESS

ALASKA CENTER FOR INTERNATIONAL BUSINESS

Status Report

Presented
to

A Joint Meeting of the
House and Senate
International Trade Committees

by
John Choon Kim, Ph.D.
Director/Professor

March 29, 1988

ALASKA CENTER FOR INTERNATIONAL BUSINESS

APPLIED RESEARCH

The results of the following applied research activities will directly benefit business communities throughout the state, which in turn helps the state to diversify its economy and to expand its economic base through international trade.

CURRENT ACTIVITIES

1) VALUE ADDED MANUFACTURING

This will be an on-going project designed to aid businesses in expanding their current operations and/or exporting their products. Initially, the project will focus on the seafood industry then move into other Alaskan natural resource areas. The purpose of the project is to examine the potential for enhancing the state's economic base through diversification of its industries. The Center is identifying new zones of opportunity for value added manufacturing (processing) by studying the current level of activity and what will be feasible for future projects.

Information is continually being gathered from all pertinent sources: state and federal agencies, other states' studies, industry support associations, and individual representatives of the industry. To date the information gathering process has consisted of telephone and mail requests, mail surveys to industry organizations and private manufacturers (processors), and personal in-depth interviews with the representatives of the industry. The creation of a separate extensive up-to-date seafood library section within the ACIB resource library is attributing to the success of the data collection on this project. The close working relationship that ACIB is forming with individual businesses and other representatives of the industry allows the Center to provide assistance and to develop strategies based on specific needs of the industry.

The project will present a profile of the current level of value added manufacturing (processing) and its impact on the economy. The project will identify and develop strategies for incentives and barriers to value added production, further development based on opportunities available and end-user's specifications, and ease of market entry and control. The project will also develop programs to market the concept to businesses and deliver information on a specific needs basis.

CURRENT ACTIVITIES (continued)

2) IMPORT SUBSTITUTION

Study I - Completion Date: March 31, 1988 and December 31, 1988

Develop program design for Import Substitution in State of Alaska. Identify and work with minimum of ten to twelve major Alaskan businesses/government entities to identify "key" commodities or services which have potential for import substitution. Feasibility study (marketing emphasis) will be conducted which will include cost structure, availability of raw materials, qualified manufacturers, skilled labor, financing needs, etc.

Study II - Completion Date: June 30, 1988, with Preliminary Report by March 31, 1988

This portion of Import Substitution Study is divided into three elements:

1. Identification of Import Substitution that has occurred in the past with an attempt to determine factors which were most important in inducing import substitution
2. Research will focus specifically on the petroleum industry and structural change that has occurred, or may occur, as a result of growth and maturation of the petroleum industry and, in turn, opportunities for import substitution in petroleum related industries.
3. Research will address both positive and negative influences of governmental laws, policies, regulations and practices on the process of and opportunities for import substitution, and the effectiveness of government policy tools in achieving import substitution objectives.

3) TONGASS TIMBER MARKET STUDIES

1. Analysis of End-Use Markets for Tongass National Forest Products

This study is a detailed analysis of the size, structure, and characteristics of the user markets for Alaskan softwoods. Specific product dimensions and characteristics are presented along with desired grades and distribution channels. The results of this study will provide forest product manufacturers the information necessary to produce finished and semi-finished products. Complete by 6/30/88.

CURRENT ACTIVITIES (continued)

3) TONGASS TIMBER MARKET STUDIES (continued)

2. Analysis of Tariff and Non-Tariff Barriers to Trade in Forest Products

This study identifies the primary barriers established by Alaskan wood markets to impede the flow of imported wood products. Strategies for overcoming these barriers will be presented. Complete by 6/30/88.

3. A Forecast of Demand Levels in Pacific Rim Forest Products Markets

A detailed demand projection will be made for the end-use markets for Alaskan softwood up to the year 2000. A more general demand projection will be made beyond the year 2000. These projections will enable manufacturers to develop long-range business plans and assist timber owners in planning harvest projections. Complete by 3/31/89.

4. An Evaluation of Southeast Asian Forest Resource Bases, Management Policies, and Harvest Yields

The largest supplier in Pacific Rim timber markets, Southeast Asia, is changing the market structure in the Pacific Rim. This study will evaluate present and future harvest practices in order to determine what changes will take place in the market, and how those changes will affect Alaska as a competitor. Complete by 3/31/89.

4) TAPPING INTERNATIONAL CAPITAL MARKETS FOR ALASKA'S PROJECTS - COMPLETION DATE: MARCH 31, 1989

Research will include an in-depth study to investigate the accessibility of different financing techniques existing in Euromarkets of the Pacific Rim, Europe, and Middle East regions. The research will address:

1. Alaska's demand for financing by economic sector, banks and other financial institutions' capital needs to alleviate their impaired capital structure, export/import needs, mineral resources extraction financing needs, and fisheries and tourism sector financing needs;
2. Merits and limitations of different conventional and new financing methods currently available in the international capital markets
3. Suggested solutions to currency in convertibility of some Asian trading partners, particularly People's Republic of China. Countertrade techniques may also be discussed here.

CURRENT ACTIVITIES (continued)

5) AN ANALYSIS OF THE END-USE MARKETS FOR ALASKA'S SEAFOODS

The objective of this study is to examine the size, structure, and characteristics of the various consumer markets for seafoods produced in Alaska. Research emphasis will include distribution channels, demand levels, product grading, usage characteristics, packaging, and consumer preferences. While the study will examine the major consumer markets for many of Alaska's seafoods, some emphasis will be placed on those seafoods which will be identified by the current ACIB study "Value-Added Manufacturing in Alaskan Seafood" as potential candidates for secondary processing in the state.

In order for Alaskans to take greater control over the manufacture, distribution, and sale of Alaskan seafood, we must first identify the primary consuming markets, understand the success requirements for meeting the needs of those markets, and identify methods for gaining access to those markets. This study will provide this type of information to Alaskan decision makers who are interested in increasing the value of seafood landed in Alaska.

6) ALASKA TOURISM STUDY

The research objective for this study has not been determined at this time. Previous research will be reviewed to identify gaps in the body of knowledge on Alaska's travel industry and government and industry representatives will be informally interviewed to determine pressing information needs. From this search of existing and needed information, a specific and narrow research objective will be established. The results of this study will be used by decision makers in government and industry to increase the level of tourism activity in Alaska. A cooperative working relationship with the Alaska Division of Tourism will be explored.

7) COUNTERTRADE POSSIBILITIES BETWEEN ALASKA AND CHINA

This project will evaluate Alaska's ability to increase exports to China through the use of countertrade. Differing countertrade strategies will be assessed to determine which strategies are appropriate for Alaska/China trade. Various Alaskan and Chinese products will be examined to determine the benefits that both partners could receive from countertrade activities. Additionally, regulations which influence countertrade activity will be evaluated to determine their impact on successful countertrade projects.

INSTRUCTION AND SERVICES

- 1) Formal instruction for International Business and Trade Courses offered for UA campuses and APU will be drawn from the following:

1. Faculty recruitment for International Marketing, International Trade/Economics, International Business Management, International Finance, and International Accounting
2. Governor's Distinguished International Business Scholar-in-Residence
3. The Center's Visiting Fellows
4. State-wide faculty resources inventory and utilization of the faculty for instruction and research
5. Diplomat-in-Residence

2) PACIFIC RIM EDUCATIONAL PROGRAMS

1. Language program (Japanese, Chinese, and Korean)
2. Culture history, and political, socio-economic and legal systems
3. Pacific Rim Summer Institutes for teachers throughout the state

Coordinating the development of statewide Pacific Rim programs in cooperation with the University systems, the Department of Education, and the school districts

3) "HOW TO DO INTERNATIONAL BUSINESS/TRADE" SEMINARS

Continuing series of seminars to provide topical and necessary information to government officials, business people, and students interested in international trade.

4) VIDEO MAKING FOR INTERNATIONAL TRADE EDUCATION

1. Educational documentary video on Alaska's successful exporters. Purpose is to change general attitude from "We cannot do" to "Yes, we can do" in realizing potential for international trade. (Target date: April 1, 1988)
2. Video: How to Export: From A to Z. Purpose is to help the entrepreneur to become familiar with international business and trade. Focus is on export strategies. (Target date: April 15, 1988)

INSTRUCTION AND SERVICES (continued)

5) FACULTY DEVELOPMENT AND TRAINING

Travel and other non-personal services support funding available to the university systems faculty for retooling or integrating functional business courses with an international aspect. Awards to be determined by a committee consisting of deans of business schools of state-wide university systems and APU.

COMPUTER INFORMATION SYSTEM

Planning for the Computer Information System began in 1985 between the Alaska State Department of Commerce and Economic Development, U. S. Department of Commerce, International Trade Administration, and ACIB. It calls for a centralized computer system available to private, public and university users throughout the State of Alaska who have access to a computer terminal. The system is to consolidate all information pertaining to international trade, including directories on Alaskan business and service industries, various international organizations and descriptions of services available, seminar schedules, trade news, etc.

It will also include critical marketing information on product or service market conditions, and supply and demand projections. These will be continually monitored to assess and follow changing markets as a result of fluctuating exchange rates, inflation, competition, changing consumer preferences, etc. ACIB's current focus on research projects mainly involves fisheries and forest products. These commodities will be the first to be installed and expanded on in this system. In 1982, an "Alaska Salmon Market Information System" (ASMIS) was established for the State Department of Commerce and Economic Development by an out-of-state consultant at an expense of \$187,000. It is ACIB's intention to re-establish the format used for this system, then update the information and expand the data base to include other species such as shellfish, bottomfish, halibut, etc. It is anticipated that this portion of the marketing data base will be available by June 30, 1988. In FY 89, the data base will be further expanded to include market information on forestry products and development will be underway related to future research on tourism, minerals, and other natural and technological resources.

The information system will include the state-wide economic data base for determining economic development capabilities of each region or community.

ACIB and the East-West Center have agreed to jointly develop a comprehensive and detailed Pacific Rim minerals data base. The data base will include identification of minerals resources, supply and production capacities, supply and demand trends, exports/imports, price trends, etc.

OTHER ACTIVITIES

- 1) Conferences including International Finance & Banking
- 2) Publication of Alaska Trade Directory (2nd Edition)
- 3) Pacific Rim Market Analysis for Alaska's Resources
- 4) Updating Alaska's Export/Import Trends Analysis by country, by commodity, and by volume
- 5) Faculty and student exchanges
- 6) Joint working relationships with numerous international institutions in the U. S. and Asia-Pacific region

PERSONNEL

Executive Director
Assistant Director
Administrative Assistant

Faculty: Dr. John G. Gissberg, Governor's Distinguished
International Scholar-in-Residence

Regular faculty recruitments for three positions
is on-going

Dr. Hiwhoa Moon,	Distinguished Visiting Fellow
Dr. Musa Essayyad,	Research faculty for Summer
Prof. Doug Barry,	Research faculty for Summer

Research Associates:

2 full-time
3 half-time

Consultants: 2

Graduate Research Assistants: 5

Technician (temporary): 1

Editor (half-time, temporary): 1

Receptionist (50%)

ALASKA CENTER FOR INTERNATIONAL BUSINESS
FY 88 and FY 89 Program Budget Needs

March 28, 1988

	<u>FY 88</u>	<u>FY 89</u>
Value Added Manufacturing	\$ 69,400	\$124,900
Import Substitution Study I	25,000	54,400
Import Substitution Study II	90,000	-
Tapping International Capital Markets to Finance Alaska's Projects	25,000	29,800
Fisheries End Use Markets	-	91,900
Tourism Studies	-	45,500
Countertrade	-	17,500
Academic Courses and Seminars	38,600	156,500
International Summer Program	10,000	10,000
Language Program	7,300	20,000
International Finance Conference and Countertrade Conference	45,000	
Video Program	80,100	50,000
Computer Information System	95,600	183,400
Resource Library	27,400	26,500
Information/Publications	16,700	29,700
Trade Directory and Export Guide	14,000	14,000
Administrative Support/Program Development	<u>251,700</u>	<u>391,500</u>
Sub-total Program Expenditures	\$795,800	\$1,245,600
U.S. Forest Service Contracts - Tongass Timber Markets:		
Tariff and Non-Tariff Barriers to Trade in Forest Products in Pacific-Rim Countries	40,518	
Evaluation of Southeast Asian Forest Re- source Bases Management Policies and Harvest Projections		48,381
Forecast of Demand Levels for End-Use Forest Products Markets in the Pacific Rim	<u>116,039</u>	<u>121,117</u>
	<u>\$156,557</u>	<u>\$169,498</u>
TOTAL PROGRAM EXPENDITURES	\$952,357	\$1,415,098
<u>REVENUE:</u>		
State General Funds	\$595,800	\$599,700
Endowment Earnings (Existing 2.5 m Endowment)	<u>200,000</u>	200,000
Endowment Earnings (Addt'l 2.5 m Endowment)		<u>200,000</u>
Sub-total Gen'l Fund & Endowment Support	<u>\$795,800</u>	<u>\$799,700</u>
Fundraising, grants and contracts, seminar computer system user fees, publication sales	<u>156,557</u>	<u>415,398</u>
TOTAL REVENUE	\$952,357	\$1,415,098

BUDGET

Value Added Manufacturing

	<u>FY 88</u>	<u>FY 89</u>
Distinguished Faculty (.10 FTE)	\$ 18,900	\$ 18,900
Faculty (.40 FTE)		35,000
Research Associate	30,000	39,400
Research Assistant	6,500	12,900
Travel (in-state)	4,000	6,000
Contractual Services (long distance charges, reprographics, postage for surveys, and consultants)	<u>10,000</u>	<u>12,000</u>
	<u>\$ 69,400</u>	<u>\$124,900</u>

Import Substitution Study I

Contractual Services (consultant)	\$ 25,000	\$ 25,000
Research Associate (.25 FTE) to maintain data base and contacts with participating companies.		9,800
Research Associate (.50 FTE) for feasibility studies		19,600
	<u>\$ 25,000</u>	<u>\$ 54,400</u>

Import Substitution Study II

Salaries and Benefits:

Faculty (in-house - .50 FTE)	\$ 46,100	-
Research Associate (in-house - .75 FTE)	28,700	-
Sec/Clerical (in-house - .08 FTE)	3,700	-
Travel	2,000	-
Contractual Services (Printing, long distance charges, and computer time)	7,000	-
Commodities (I/O tapes and softre)	<u>2,500</u>	<u>-</u>
	<u>\$ 90,000</u>	

Tapping International Capital Markets for Alaska's Projects

Salaries and Benefits:

Faculty (in-house .20 FTE)	\$ 13,500	\$ 14,300
Research Assistant (student)	3,000	3,000
Travel (International Conference and Juneau)	3,000	3,000
Reprographics, postage, long-distance calls	500	500
Consulting fee	<u>5,000</u>	<u>9,000</u>
	<u>\$ 25,000</u>	<u>\$ 29,800</u>

Fisheries End-Use Markets

	<u>FY 88</u>	<u>FY 89</u>
Distinguished Faculty (.20 FTE)	-	\$ 18,900
Faculty (.40 FTE)	-	35,000
Research Assistant (1.0 FTE)	-	23,000
Travel	-	15,000
		<u>\$ 91,900</u>

Tourism Studies

Faculty (.20 FTE)	-	\$ 17,500
Research Assistant (1.0 FTE)	-	23,000
Travel	-	5,000
		<u>\$ 45,500</u>

Countertrade

Faculty (.20 FTE)	-	<u>\$ 17,500</u>
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Instruction and Service Programs

Academic Courses and Seminars

Salaries and Benefits

Distinguished Fellows (.40 FTE)	\$ 18,900	\$ 37,800
Director	13,700	13,700
Faculty - Int'l Trade & Econ (.40 FTE)		35,000
- Int'l Marketing (.40 FTE)		35,000
- Int'l Business Mgmt (.40 FTE)		35,000
Travel	1,000	
Contractual Services	5,000	
	<u>\$ 38,600</u>	<u>\$156,500</u>

International Summer Program

Summer courses in International Finance and Banking, intensive study program on "How to do Business, and language course offerings in Chinese, Japanese, and Korean.

<u>\$ 10,000</u>	<u>\$ 10,000</u>
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Language Program (Chinese, Japanese, and Korean)

Temporary faculty	\$ 2,300	\$ 13,200
Travel, consultation, and support for language development	5,000	6,800
	<u>\$ 7,300</u>	<u>\$ 20,000</u>

International Finance and Countertrade Conference

<u>\$ 45,000</u>

ACIB Video Projects

	<u>FY 88</u>	<u>FY 89</u>
Salaries and Benefits		
Producer (temporary)	\$ 28,000	\$ 28,000
Producer/writer (in-house faculty)	7,700	7,700
Clerical/technical support (student and other temporary)	5,000	
Travel (in-state and Japan)	12,800	2,000
Contractual Services		
Consultant - arrange interviews, provide transportation and interpretation services in Japan	6,600	
In-House technical production equipment support, equipment rental, and repairs	13,000	
Narrator, computer graphics, and music production	5,500	
Purchase existing film footage	500	
Total Contractual Services	\$ 25,600	9,300
Commodities - videotapes	1,000	3,000
	<u>\$ 80,100</u>	<u>\$ 50,000*</u>

FY 89 - Video program will continue to aid school districts, general public

* Revenues from sales of videos are anticipated which will substantially decrease general fund/endowment support for program.

Computer Information System

Salaries and Benefits:

Coordinator/Consultant	\$ 24,100	\$ 65,000
Programmer/Analyst	21,200	10,600
Research Associate - Forecasting & Economics	8,800	39,200
Data Entry Technicians (temporary/student)	12,000	12,000
Total Salaries and Benefits	\$ 66,100	\$126,800

Travel - negotiate with federal and state agencies to obtain access to existing information systems for incorporation into ACIB's system, and to coordinate the implementation of the system throughout the state of Alaska

\$ 3,000 \$ 11,800*

*Approx. \$6,000 one time only

Computer Information System (continued)

Contractual Services:

Purchase computer access to existing private or other state on-line data bases.

\$ 30,000**

**Approx. \$21,000 one time only

Reproduction/Printing - instructions, sample reports, promotional brochures	\$ 2,000	3,000
Computer line charges	1,000	4,800
Maintenance contracts	500	2,000
Total Contractual Services	\$ 3,500	\$ 39,800

Commodities - Periodicals, subscriptions, software acquisition, office and computer supplies	\$ 3,000	\$ 3,000
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Equipment - Computer hardware acquisition	\$ 20,000	
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Total Computer Info. System	\$ 95,600	\$183,400
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Resource Library

In-house library consultant to help establish catalog system and locate materials

\$ 5,000

Research Assistant (students)

3,400

\$ 6,500

Periodicals and subscriptions

10,000

20,000

Equipment - shelving

9,000

\$ 27,400

\$ 26,500

Information/Publications

Information Officer/Editor (.50 FTE)

\$ 9,700

\$ 19,700

Contractual Services

Printing, reprographics, postage

7,000

10,000

\$ 16,700

\$ 29,700

Trade Directory/Export Guide

Student Assistants

\$ 3,000

\$ 3,000

Printing, long distance charges, and programming

11,000

11,000

\$ 14,000*

\$ 14,000*

* Costs may be offset up to \$6,250 depending upon sales (\$12.50 per copy X 600)

Administration and Program DevelopmentFY 88FY 89

Salaries and Benefits:

Director (.60 FTE)	\$ 56,100	\$ 56,100
Assistant Director (1.0 FTE)	37,200	49,600
Administrative Assistant (1.0 FTE)	11,000	29,400
Receptionist/Secretary (1.0 FTE)	8,700	23,000
Distinguished Fellows (.20 FTE)	9,500	18,900
Faculty - Int'l Marketing (.20 FTE)	-	17,500
- Int'l Trade/Economics (.20 FTE)	-	17,500
- Int'l Business Mgmt. (.20 FTE)	-	17,500

Temporary technical, clerical and student support (including student research assistants

9,000 20,000

Subtotal - Personal Services

\$131,500 \$249,500

Travel - program coordination in-state, attendance at international conferences

\$ 20,000 \$ 30,000

Contractual Services:

Telephones and long-distance (including facsimile)

10,000 20,000

Estimated off-campus lease cost for approximately 4700 sq. ft.

15,000 60,000

Reprographics, postage

2,000 4,000

Program consultants

10,000 20,000

Maintenance agreements

2,000 4,000

\$ 39,000 \$108,000

Commodities - office supplies and computer software and supplies

\$ 2,000 \$ 4,000

Equipment - Facsimile, desk and side chairs, bookcases, video recorder and monitor, computer terminals and printers, conference tables, copy machine, telephone equipment, etc.

\$ 59,200

Total Admin. and Program Development

\$251,700 \$391,500



MAIN OFFICE
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MOSCOW OFFICE
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Moscow, USSR

*Members of the Soviet Delegation
participating in negotiations with
representatives of American fishing
industries on March 14-18, 1988 in
Khabarovsk, USSR*

Dal'ryba an all-union fishing industry association

*Luzikov T.T. Head of the Soviet delegation. Deputy director
of Dal'ryba.*

*Semyonov V.I. Deputy director of the dept. of external economic
affairs at Dal'ryba.*

*Kul'nov S.A. Deputy director of the department of industrial
fishing at Dal'ryba.*

Zakrividoroga A.N. Chief specialist (technologist) at Dal'ryba.

*Kugayevsky V.P. Chief specialist in charge of on-board fish
processing at Dal'ryba*

Primorybprom a production enterprise

*Uss V.M. Deputy general director of Primorybprom, an
organization engaged in the catch and processing
of fish.*



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Zdor V.I. Director of the department of external affairs
at Primorrbyprom.

Zuyev I.Z. Deputy director of the state fishing company BAMR.

Shiyan O.G. Director of the department of external affairs at BAMR.

Kamchatrybprom a production enterprise

Topchy V.V. Director of the state fishing company BORKRP.

Kostin A.M. Deputy director of the fishing department at
Kamchatrybprom

Sakhalinrybprom a production enterprise

Krasnoyarov E.A. Deputy general director at Sakhalinrybprom.

Gribov V.I. Director of the state fishing company BORSRP.

Khabarovskrybprom a production enterprise

Sidorenko V.V. Deputy general director at Khabarovskrybprom.

Afanasyev E.P. Deputy general director at Khabarovskrybprom,
external affairs department.

Sopov V.N. Chief specialist (technologist) in charge of floating
factories and motherships at the production company
Dal'moreprodukt (Far Eastern Seafoods).

Slizkin A.G. Chief specialist at TINRO (Pacific Research Inst.
of Fisheries and Oceanography).

Tumanov V.P. Laboratory head at TINRO.



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Stogny B.N.	<i>Deputy director of the central bureau of construction and technology design.</i>
Pavlov A.L.	<i>Chief specialist at the research and development enterprise specializing in fish processing equipment Dal'tekhrybprom.</i>
Mistyuk V.N.	<i>Chief engineer in the administration of the cargo fleet Vostokrybkholodflot.</i>
Sergeyev K.G.	<i>Director of the Soviet-American company SovAm (MRCI).</i>
Tkachenko K.P.	<i>Fisheries attache at the Soviet embassy in Washington, DC.</i>
Bystrov Yu.A.	<i>Representative of the Vladivostok Chamber of Commerce.</i>
Kruglikov M.V.	<i>Representative of the Khabarovsk Chamber of Commerce.</i>
Vostrikov I.Yu.	<i>Representative of the Khabarovsk Chamber of Commerce.</i>
Vylegzhanin A.N.	<i>Representative of the external relations department of the Soviet Ministry of Fisheries specializing in the USA and Canada.</i>
Boguslavsky V.I.	<i>Chief of the protocol section of the external relations department of the Soviet Ministry of Fisheries.</i>
Kiridon Yu.M.	<i>Representative of the Enforcement Agency of Fish Conservation.</i>

**SCHEDULE OF MEETINGS BETWEEN
USSR AND US FISHING INDUSTRY
DELEGATIONS**

Tuesday, March 15

- 10:00 - 12:30 Opening General Session
14:30 - 16:00 Meetings with representatives of North Pacific
Fishing Vessels Owners Association
16:00 - 18:00 Meetings with representatives of Alaska Trident
Seafoods
19:30 - 21:00 Reception in honor of the American delegation

Wednesday, March 16

- 9:30 - 12:30 Meetings with representatives of the Alaska Crab
Coalition
14:30 - 17:00 Meetings with representatives of Alaska Joint
Venture Seafoods

Thursday, March 17

- 9:30 - 12:30 Protocol summary session
14:30 - 17:00 Closing General Session
19:30 - 21:00 Reception in honor of the Soviet delegation

U.S. participants in fishing industry conference in Khabarovsk, U.S.S.R.
March 1989

ARNE AADLAND, President of North Pacific Fishing Vessel Owners' Association and is the Manager of Ocean Viking Fisheries (F/V ARCTIC WIND). Involved in gillnet, seine, longline, trawl and crab fisheries off Alaska for 34 years. Member of NPFMC Advisory Panel since November, 1987.

PETER BLOCK, President Northern Deep Sea Fisheries, Inc., a joint venture management company involving 20 American trawl fishing vessels and Japanese high sea and U.S. shorebased processing facilities. Involved in seafood-related businesses for over ten years.

FRANK BOHANNON, owner of the F/V NEAHKAHNIE, involved in joint ventures with Japan, Korea and the U.S.S.R. in Gulf of Alaska and Bering Sea for over ten years. Member of the Council's Future of Groundfish Management Committee. Previously a professor in fisheries at the University of Alaska and served as Chairman of the Board of Alaska Fishermen's Safety Incentive Program. Involved in fisheries for over 20 years.

JIM H. BRANSON, Executive Director, NPFMC. Involved in fisheries enforcement and management for over 35 years. Studied commercial fisheries at Oregon State University and fished off Oregon, Washington and California.

JAMES O. CAMPBELL, Chairman, NPFMC. Involved in North Pacific Council for ten years, four as chairman. Retired Alaska businessman, current Chairman of the Board for Alaska Railroad.

DON W. COLLINSWORTH, Commissioner of the Alaska Department of Fish and Game, member of NPFMC since 1983, serves as a Commissioner of the U.S. Section, U.S./Canada Pacific Salmon Treaty Commission.

LARRY COTTER, Pacific Associates, Juneau, Alaska. Involved in North Pacific fisheries matters for several years. Currently a voting member of the North Pacific Fishery Management Council. Since 1986 has worked with the Alaska Crab Coalition in pursuing the reciprocal fisheries access agreement with the Soviet Union. Interested in the development of an integrated Soviet/U.S. fisheries company which goes beyond a transfer of money and believes this type of venture will benefit the U.S. and Soviet fishing industries, the Siberian provinces, and the State of Alaska.

OSCAR DYSON has been involved in the fishing business over 40 years and involved in fisheries policymaking since Alaska statehood in 1959. He was instrumental in developing the king crab and pollock fisheries and is one of the original partners in All Alaska Seafood, a plant which processes king crab, all whitefish, salmon, halibut, and sablefish. Mr. Dyson has been a member of the North Pacific Fishery Management Council since 1985.

PAUL FUHS, Mayor of Unalaska, Alaska for three years. President of Alaska Mariculture Association and past president of the Southwest Municipal Conference. Instrumental in developing fishery and port industries in Dutch Harbor, Alaska, which is the home base in Alaska for the Soviet fishing fleet.

DAVE HARVILLE, Owner, Kodiak & Western Trawlers, a company that owns fishing vessels and manages joint ventures between Alaskan-based boats and foreign motherships. Mr. Harville has been involved in fisheries for salmon, albacore, crab, shrimp and bottomfish in California and Alaska for 25 years and is a member of the Council's Future of Groundfish Management Committee.

ROBERT MORGAN, President and Chief Operating Officer of Oceantrawl, Inc., which manages the operations of the F/T NORTHERN EAGLE in the production, distribution, and sale of surimi and associated products. Involved in the seafood industry for over 25 years. Instrumental in organizing the Alaska Pacific Seafood Industry Coalition which represents most of the processors and harvestors in the industry-to-industry negotiations between the U.S. and Japanese seafood industries.

KAARE NESS, is one of the original founders of Trident Seafoods Corporation and serves as Director and Vice President of Northern Fishing Operations. Trident Seafoods has eight floating processors, three shoreplants, and various fishing boats operating in Alaska, as well as two shoreplants in Washington. Began fishing in 1943 in Norway, mainly in the seine fisheries of herring and bottomfish. Moved to Alaska in 1968 and became involved in Alaskan fisheries. Past president of North Pacific Fishing Vessel Owners' Association and has served as a Director for NPFVOA for many years. Also serves as a Director in vessel insurance pools in the Seattle area.

RON PETERSON, President, Alaska Crab Coalition. Commercial fisherman, multi-species/multi-gear types in Alaska and Puget Sound for 26 years.

WILLIAM PHILLIPS, attorney in Washington, D.C. Former aide to U.S. Senator Ted Stevens. Currently a partner in a fishing operation in the North Pacific and Bering Sea.

TED SMITS, Executive Director of North Pacific Fishing Vessel Owners' Assn.. He has served as an Asst. Director of the Washington Dept. of Fisheries, Vice President of Pacific Seafood Processors Assn., and Executive Director of Puget Sound Gillnetters Association. Also served as a Commissioner on the International Pacific Salmon Fisheries Commission, Chairman of the West Coast Fisheries Development Foundation, and acted as an advisory to the U.S./Canada Fisheries Affairs and Boundaries Negotiations for the Dept. of State.

CLEM TILLION, President-Manager of a company that provides pilot and other marine services. Has operated small boats in the South Pacific and in Alaska. Served in the Senate and House of Representatives of the Alaska State Legislature for 18 years and was a member of the NPFMC for seven years, six as Chairman. Involved in a multitude of national and international fisheries-related boards and committees.

The Alaska Center For International Business Import Substitution Project- Executive Summary

In late November, 1987, the Alaska Center for International Business (ACIB) began an "Import Substitution" project as a strategy for creating jobs for Alaskans.

Import Substitution is a term commonly used to describe economic activity where local manufacturing develops which produces goods that "substitute," or replace goods that were formerly imported. Academic studies of import substitution typically describe how import substitution has played a role as an element of past economic development activity. An analysis of this sort of past activity is then used as an indicator of what might happen in the future. This, on a very broad scale, is then used as a tool for government planners and others. Typically, import substitution studies also go on to describe constraints on further import substitution and to suggest policies that might foster import substitution.

Studies of this kind can be helpful to government planners and policy makers, but seem to be of little immediate use to small or medium size businesses. They are long range, and broadly descriptive, tools.

The approach taken by the ACIB in this import substitution project differs considerably from the traditional academic approach. The models for the ACIB approach are successful economic development programs created in the states of Massachusetts and Michigan. In these models, the purchases of major companies were reviewed in order to identify certain goods imported from other areas that had the potential for local manufacturing. This information was then distributed to local companies to inspire local manufacturing of the goods.

This ACIB project also differs from traditional academic studies in that it does not attempt policy analysis. The assumption is that policy changes can take a long time to accomplish. The ACIB project's approach is to facilitate import substitution given the existing restraints on it, if any.

Like the models mentioned above, the methodology of the ACIB project is to review the purchasing records of private businesses and units of government and to follow the professional opinions of the participating purchasing managers in identifying goods that can currently be produced in Alaska, given the commonly known market conditions such as transportation costs, labor costs, availability of labor, availability of raw materials, equipment costs, etc.

Later, this information is distributed (marketed) to additional prospective purchasing companies and potential manufacturers. In this way, basic market research is conducted for small and medium size businesses that do not have the resources to carry out this research by themselves. At the same time, the specific nature of the early information is used as a new tool to expand the core group of information.

This is a somewhat time-consuming process, and there are impediments to gathering the basic market research. In the case of private companies, the information is proprietary and must be provided on a voluntary basis. Some companies simply may not wish to participate, for a variety of reasons. Other companies may not be able to participate, either because of shortages of staff, computer systems that cannot sort the required information, or a variety of other reasons.

The results of this project also dovetail with the other goals of the ACIB in the areas of value-added enterprises, and the creation of an economy with manufactured exports as a component.

The companies and units of government which were asked to participate in the initial stages of the project included the following:

State of Alaska Department of Administration

State of Alaska DOT & PF

State of Alaska Ferry System

The Alaska Railroad

Anchorage International Airport

Municipality of Anchorage

Anchorage Telephone Utilities

Anchorage Municipal Power and Light

ARCO Alaska
Standard Alaska Production Co.
Alascom
Providence Hospital
Carr's Quality Markets
National Bank of Alaska
Ft. Richardson
Elmendorf AFB
Seahawk Seafoods
Chugach Electric Association
Matanuska-Susitna Borough
Matanuska Electric Association
Matanuska Telephone Association
Enstar Natural Gas Company

These 22 organizations were selected either because of the size of their workforce or because they were representative of a particular type of business activity.

Of the 22 organizations, only two have completely declined to participate. Of the remaining 20, seven have already provided specific information about certain goods purchased from Outside. The other 13 companies or units of government are either currently reviewing the program, still gathering information, or are unable to participate at this time except to respond to requests concerning specific goods.

The ACIB project has created a small number of jobs in just the first few weeks. The extent of this success will be evaluated over the next year, but it is apparent that the strategy of encouraging import substitution does pay off in immediate jobs.

The information received by the ACIB so far only represents about 25% of the possible information available from the initial group of 22 organizations. It is anticipated that an additional 25% will be made available in the second quarter of 1988, as the remaining organizations complete their reviews of their purchases, while at the same time, the number of participating companies will be increased.

A portion of those goods so far reviewed have been selected as typical of certain groups of goods which seem to have a high potential for local manufacturing. These goods have been featured in the first issues of the *Alaska Manufacturing Opportunities Bulletin*, a publication which will appear quarterly. This publication will be distributed to Alaska businesses and other Alaskans who may be able to manufacture some of the goods featured. Responses to the distribution of the publication will also be used to develop a list of current manufacturing capabilities in Alaska which can also be cross-referenced with the various needs for new manufacturing. Finally, those items featured in the publication can also be used by smaller companies as a starting point for their own review of their purchases.

The value of the goods purchased that have received an initial review by the ACIB (as a result of the information provided by the five organizations), represents about \$250,000,000 in goods. Of this amount, \$2,500,000 to \$5,000,000 worth seem to have potential for conversion to local manufacture. This represents 1-2% of the goods reviewed. However, a number of the participating companies and many smaller companies who are not yet involved in the project, cannot conduct a useful search of their purchases without first having more specific direction from the ACIB. Information in the publication, *Alaska Manufacturing*

Opportunities Bulletin, will be used as a guide for these companies to help them sift through their purchasing information. Providing this information to them should result in an expansion of the estimate of the gross market for the currently identified categories of goods. Therefore, a more precise estimate of the extent of the markets for these goods is not yet known. These market estimates, then, represent conservative estimates of minimum markets.

The ACIB Information Exchange

One of the principal functions of the Center is to gather information about opportunities for Alaska's businesses to expand existing markets or enter new ones. Presenting this information in a format interesting enough to be read, considered, and used by individuals is a major challenge. To be considered successful, the Center must not only present the information, but by doing so must spur new economic development and growth. The ACIB Information Exchange is designed to meet this challenge.

It will package the information developed by the Alaska Center for International Business in ways designed to make it most useful to the people interested in it. The Exchange will take full advantage of the unique qualities of computers.

The Exchange project team will transform material collected by the Center so that users can interact with the reports, ask questions and get answers in ways which were previously impossible.

By the end of the first phase of this project in June, the International Business Center's information system will have four capabilities:

- 1) It will contain a database of business opportunities for entrepreneurs. For example, it will include the products identified by ACIB's Business Import Substitution Project.
- 2) A bulletin board will give users information about the activities of the Center and other meetings, workshops, and economic activity related events around the state.
- 3) It will provide users access to "static" reports (a report containing information which is unlikely to change over time) while letting them examine and modify the assumptions used in creating the reports to reflect changing conditions or their personal views.
- 4) Dynamic reports (those containing information which is updated periodically) accessed through the system will be automatically updated as new information becomes available.

The Alaska Center For International Business

Alaska Manufacturing Opportunities Bulletin

April-June, 1988

Can Your Company Make It In Alaska ?

Every year, major Alaska companies and units of state, federal and local governments spend millions of dollars on goods or services made in other states or countries.

The Alaska Center For International Business (ACIB), at the University of Alaska, Anchorage, has begun a program to find or establish local manufacturers for some of these goods in order to create jobs for Alaskans.

Please take a few minutes to look through this brochure. If your company currently manufactures any of these items, or similiar goods, or if you believe you may be able to enter these markets, fill out the detachable postcard on the back page and mail it to the ACIB or call project director Mike Neiswonger at the ACIB. See pages 2 and 3 for more details and be sure to watch for additional opportunites in further issues of the Alaska Manufacturing Opportunities Bulletin.

This First Issue Of The Alaska Manufacturing Opportunities Bulletin Is Being Distributed With The Cooperation Of The Alaska Association Of Manufacturers.

This is the first issue of the Alaska Manufacturing Opportunities Bulletin. This information is the result of a project which is reviewing current purchases made by Alaska companies and state, local and federal government. The items listed in this issue represent only a very small part of the total goods imported into Alaska. Additional goods will be featured quarterly in this publication as our research continues. These items have been selected because they seem to have potential for local manufacturing at the present time, but do not necessarily represent the largest markets for conversion to local manufacture. Items like automobiles, raw steel, and paper products, although they represent large numbers of dollars in purchases, have been excluded from this bulletin because they involve considerations of labor, technology and raw materials that are not presently available in Alaska. Some items represent local manufacturing opportunities because of the proportion of the cost of the goods associated with transportation to Alaska.

How the project works- The information in this brochure is the result of an "import substitution" program being carried out by the Alaska Center For International Business. The information is being gathered by reviewing purchases made by Alaska companies and various units of government, of goods manufactured Outside which seem to have a high potential for

local manufacture. The information made available by these companies will be published quarterly in the Alaska Manufacturing Opportunities Bulletin.

Companies or individuals who would like to submit bids to provide these materials should contact Mike Neiswonger at the ACIB by mailing in the postcard on the back page of this bulletin. The ACIB will screen interested potential suppliers and provide assistance when possible, to help local manufacturers in obtaining orders for goods.

ACIB may be able to assist some potential manufacturers in locating financing for some projects. Potential manufacturers should be aware that in order to supply these goods to purchasing companies, bids must be competitive and the product quality must match that of the quality of the currently purchased goods. Some other conditions may also apply.

How to Participate - There are three ways to participate in this project; as a supplier of goods manufactured in Alaska, as a buyer of those goods, or both.

The primary goal of the project is to create new jobs for Alaskans by replacing imported goods with goods manufactured in Alaska. If your company can manufacture any of the goods listed in this bulletin, or similar goods or if you think you can enter these markets, contact the ACIB by filling out the attached postcard and mailing it to the ACIB,

or contact Mike Neiswonger at the ACIB by phone. (Please Note: as we go to press the ACIB is moving to a new location and our new phone number is not yet known. The old number is 786-1762, but you may have to check with directory assistance to get the new number. It will, however, be printed in the next issue of the bulletin.)

The ACIB also needs help in identifying currently imported goods that might be manufactured in Alaska. If your company can participate in this manner, there are a number of possible benefits, including the establishment of multiple suppliers, lower freight costs, and possibly lower costs for certain goods. In addition, you will be helping to create diversified jobs for Alaskans and strengthening the local economy, which is good for all businesses.

Some Questions and Answers-

Q. My company distributes some of the goods mentioned in this bulletin. We buy these goods from Outside manufacturers and then sell them to local companies. How can I participate in this project?

A. Some of the goods shown here are currently purchased through Alaska distributors, while other goods are purchased directly from the Outside manufacturer. If you currently supply some of these goods, you should contact ACIB by phone or by filling out the attached postcard. We may be able to provide you with a local supplier, or

we may be able to help you start-up your own manufacturing operation.

Q. My company is already making some of these goods in Alaska. Is the ACIB trying to start-up companies to compete with me?

A. No. If you are already manufacturing (not distributing, but actually manufacturing these goods in Alaska with Alaska labor) then contact us immediately. The project is aimed only at creating additional jobs for existing Alaska businesses, or helping those companies create jobs by entering related manufacturing fields, or in establishing new businesses where none currently exist.

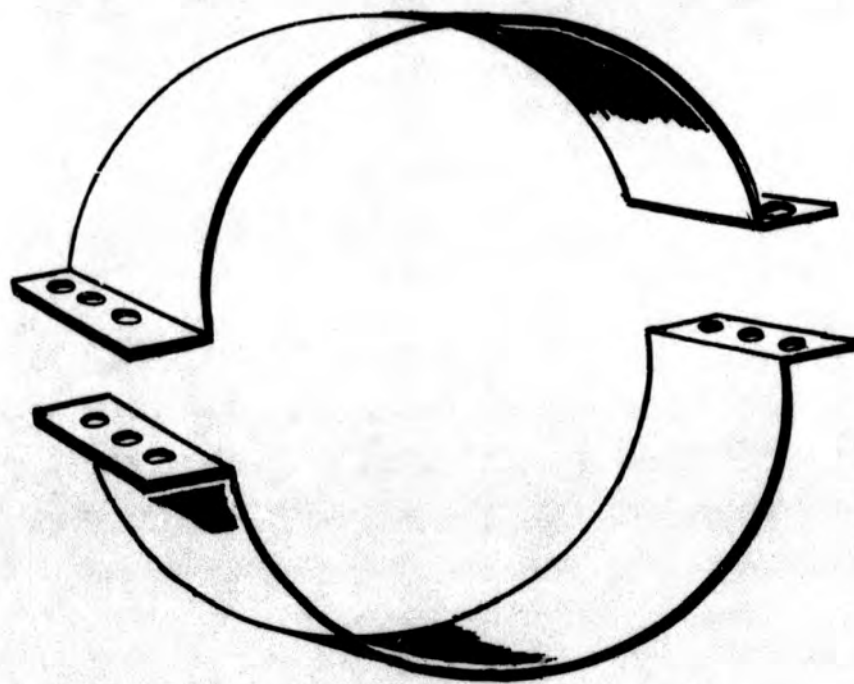
Q. I could manufacture one of these items but I don't have the capital to get into that product line. What should I do?

A. Contact us now. There is some private venture capital available for certain manufacturing enterprises run by qualified operators. We might be able to help.

Alaska Manufacturing Opportunities Bulletin is published quarterly by the Alaska Center For International Business at the University of Alaska, Anchorage. Mike Neiswonger. project director.

Illustrations and product descriptions are for general information purposes only. Contact the ACIB for additional specifications.

Plant, Equipment, Accessories



Pipeline Saddles

- *piggy - back
- *w/straps
- *w/u-bolt
- *w/insulation protection shield
- *for 6" x 2" pipe

Plant, Equipment, Accessories

Road Markers

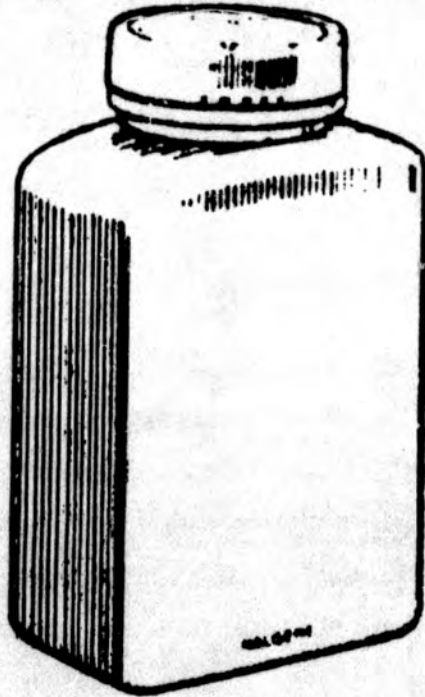
- *3-3/4"W x 60H
- *color brown
- *w/ reflectors 12" x 3"
white on front, yellow on back
- *some w/high intensity reflector tape
- *also other sizes



Pipe - support

- *w/straps for saddle
- *various sizes

Plant, Equipment, Accessories



Bottles

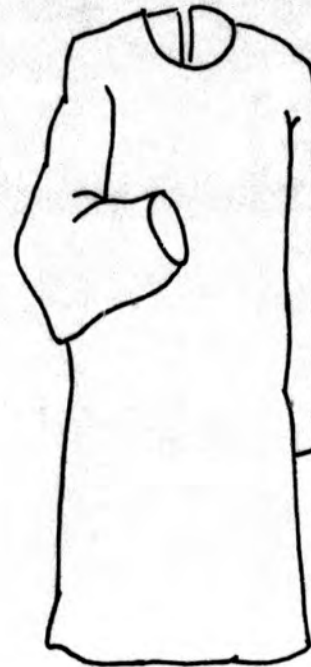
- *1 liter
- *plastic
- *w/cap

Plant, Equipment, Accessories

Wrappers

- *various sizes
- *cellulose fabric or paper

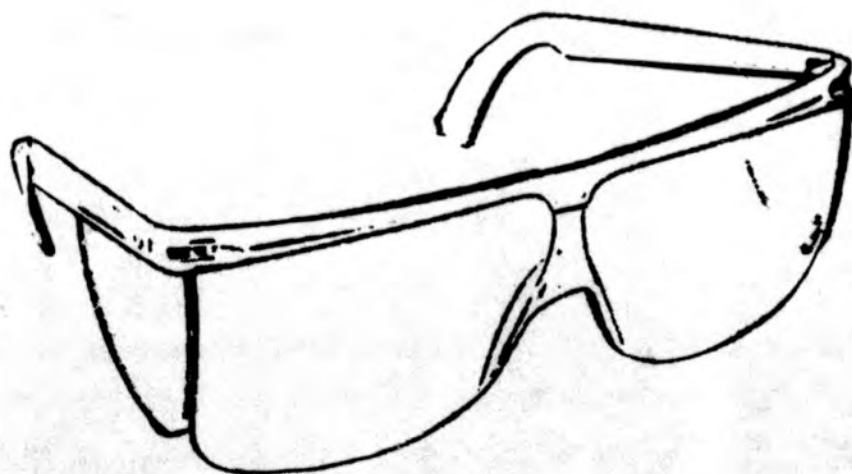
Clothing And Safety Materials



Isolation Gowns

- *cellulose fabric or paper
- *no requirement for sterility

Clothing And Safety Materials



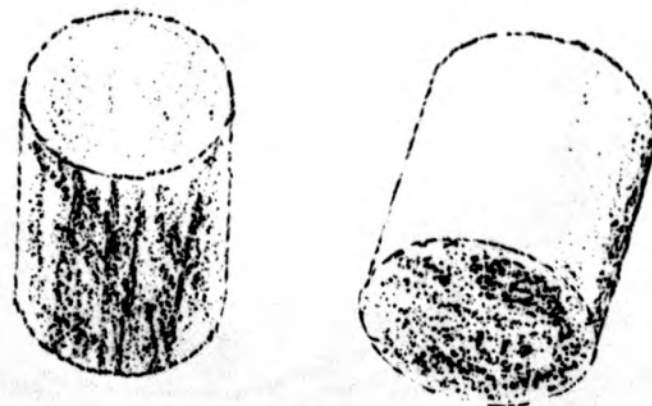
Protective Eyewear

*clear plastic

*w/sideshields

*replaceable lens

Clothing And Safety Materials



Noise Reduction Ear Plugs

*foam rubber



Gloves

*100% cotton

Misc. Materials And Services

"Kit" Assembly

*manual sorting of lightweight items

*wrapped in plastic



Package Strapping

*plastic

WARNING

Warning- Any or all of the products described in this bulletin may be covered by unexpired patents, pending patent applications, valuable confidential know-how and/or trade secrets ("Property Rights") which may prohibit, restrict or otherwise limit the manufacture, sale and or use of such products without the express authorization of the person(s) owning or controlling such property rights. Unless otherwise stipulated in writing, the ACIB and companies participating in this project, have no specific knowledge concerning the possible existence or status of such property rights relating to the products generally described herein. Therefor, all persons interested in manufacturing, selling or using such products, or

CONTINUED ON BACK

☐ I would like more information about the items listed in the Bulletin.

☐ My company currently manufacturers _____

☐ My company would like to help find local suppliers for some goods.

Company Name _____

My Name _____

Address _____

City _____ Zip _____

Phone _____

WARNING CONTINUED

in evaluating the possible manufacture, sale or use thereof shall: (1) Assume full responsibility for all procedures and related costs necessary to determine the existence of any Property Rights covering such products and to evaluate the possible manufacture, sale or use of such products in light of any expense or other obligations imposed by the existence of such Property Rights; (2) Where necessary, obtain the required permission to manufacture, sell or use such products including payment of all costs associated therewith; (3) fully indemnify and defend the ACIB and participating companies from all suits, claims, expenses, damages or losses arising out of any allegations, threats or actions for direct or contributory infringement, or claims of inducement to infringe or any other claimed or alleged violation of such Property Rights, if any.

Place
Stamp
Here

Mike Neiswonger, Project Director
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Anchorage, Alaska 99508