

SCOMM

136:4



-imagine the future-

"Imagination is more important than knowledge"

- Albert Einstein



"A man to carry on a successful business must have imagination. He must see things in a vision. A dream of the whole thing."

- Charles Schwab



Alaska: Bridging the Pacific



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Development Council

China:

- under 18 year old pop. Is greater than US and Britain

- 18 million enter the workforce each year

- Approx. 450,000 engineers graduated in 2004 (65K in US)

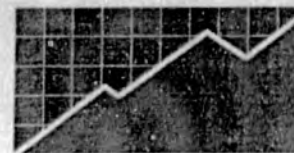
- all are learning English and china is the second largest English speaking country

Alaska - 586,000 Sq MI

- 3 billion people live in emerging Asian economies

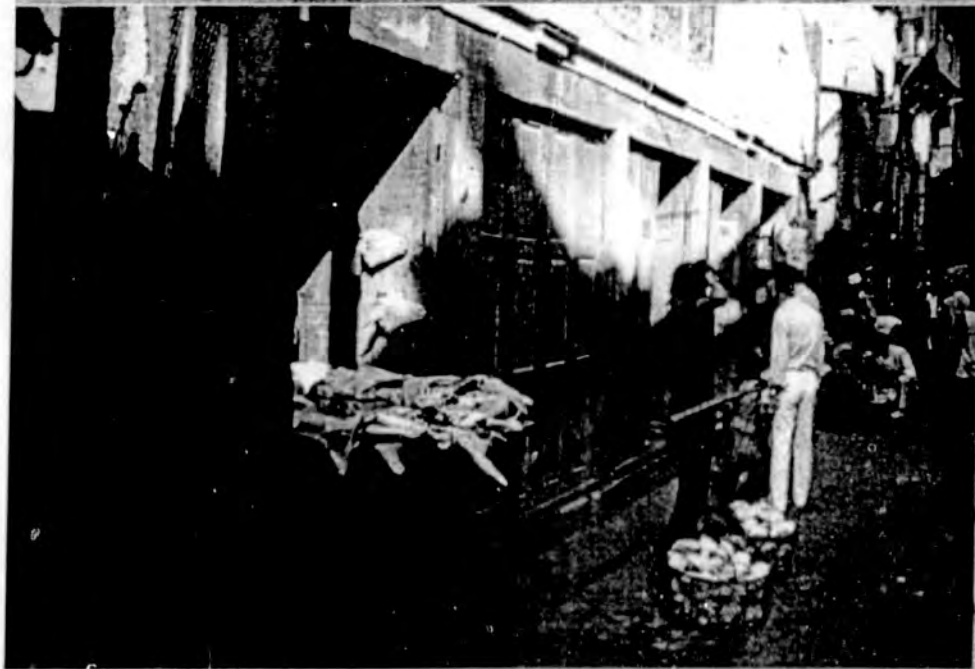
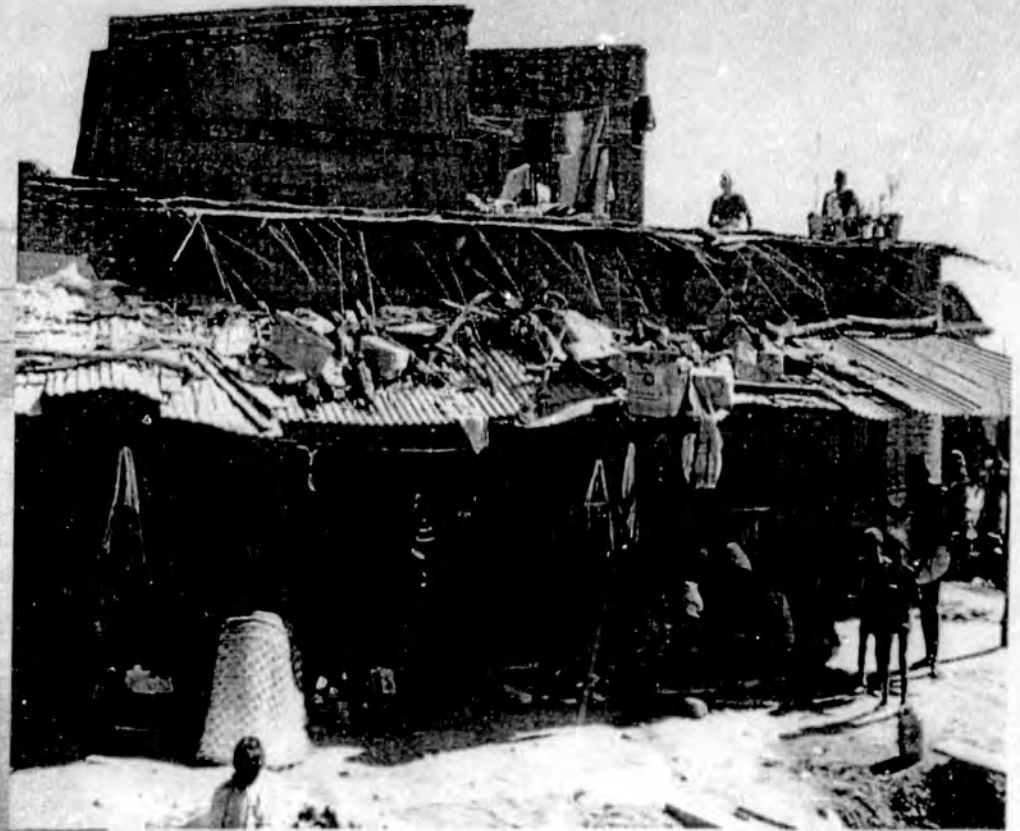
Source: www.geographic.org modified by the Juneau Economic Development Council and AMA

When doing business overseas remember.. "We don't
see things as they are, we see things as we are"
(Anais Nin)



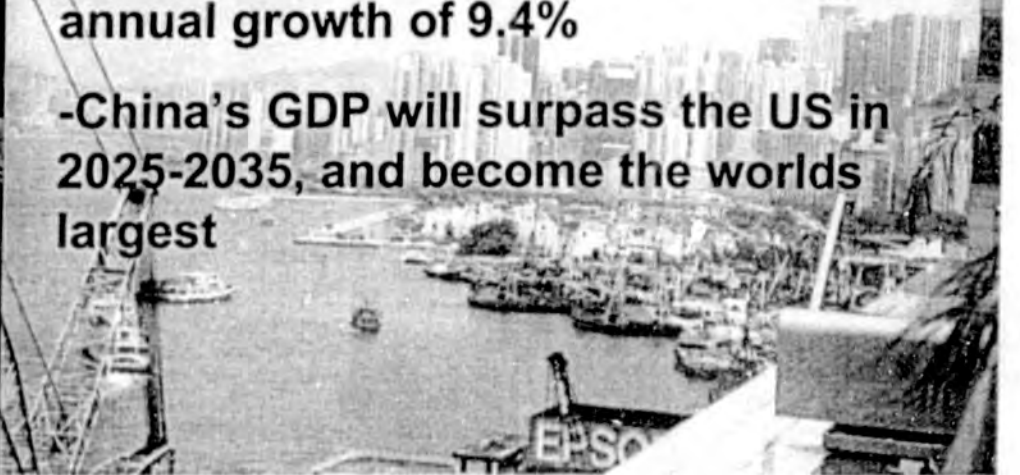
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-From 1978 to 2004 China's GDP grew from \$147B to \$1.6T with an average annual growth of 9.4%

-China's GDP will surpass the US in 2025-2035, and become the worlds largest



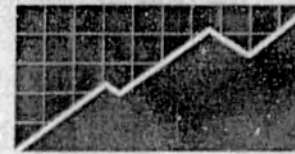
Don't overlook India!!

COUNTRY ABOVE RELIGION: FOLLOW INDIRA GANDHI'S IDEALS



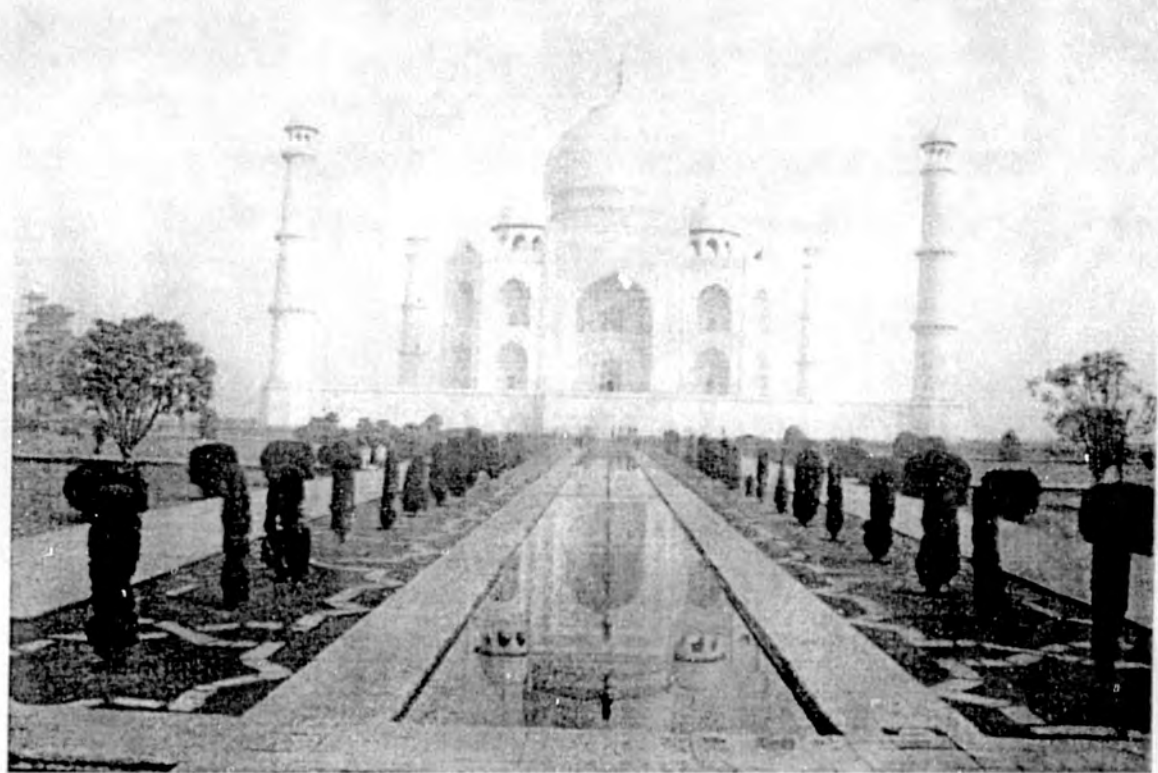
Looks can deceive,
-India has grown at 6% GDP (compared to the US 3.3%) and is predicted to grow 5-7% in the next 40 yrs
-50% of the population is under 25 (500 million)

International Economic Development

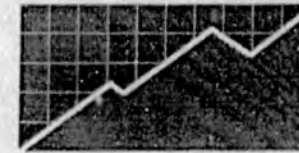


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- By 2050 India may have 1.6 billion inhabitants vs. 1.4 billion in China
- India also has the rule of law, while China is communist
- 290,000 engineers graduate annually
- 55 million cell phone users
- 33 million internet users



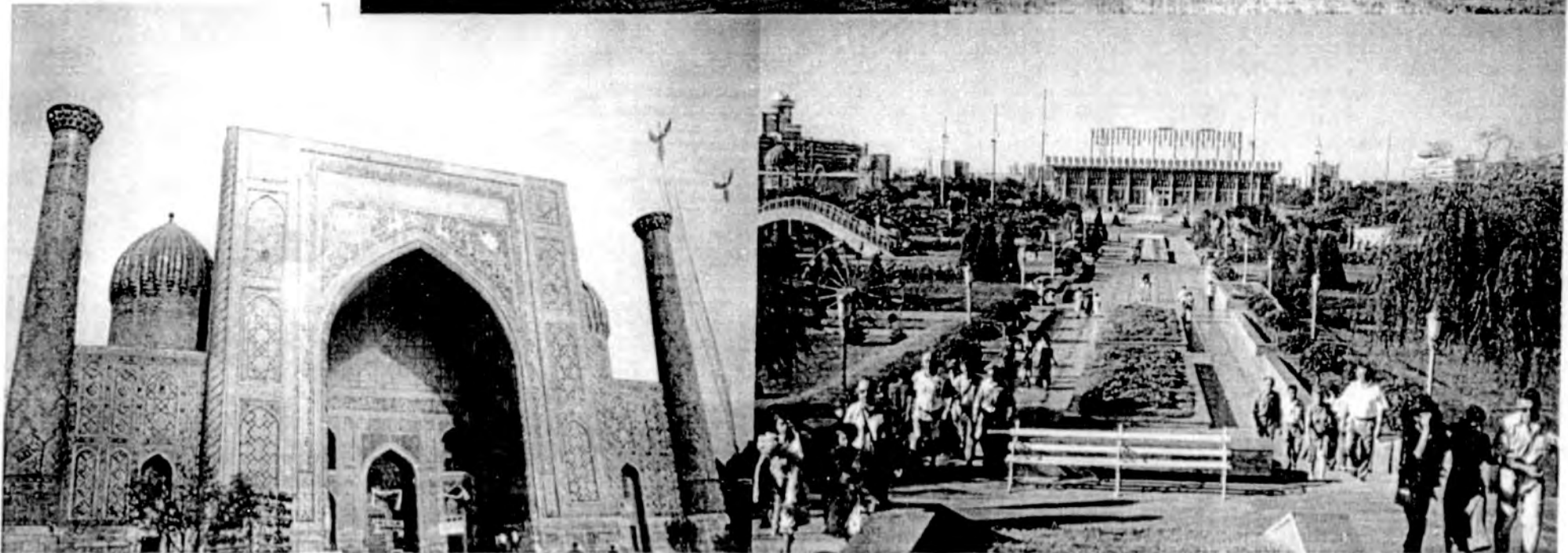
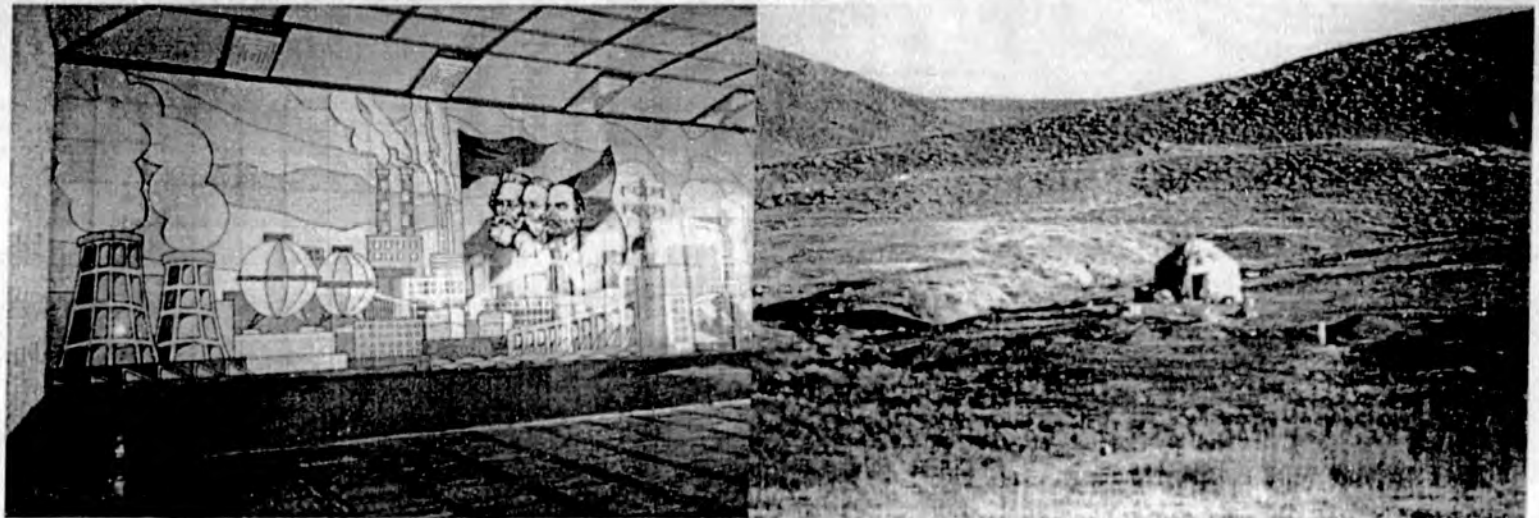
International Economic Development



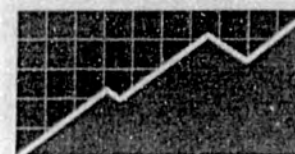
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Central Asia-

Ideology and Religion
effect the economy
too!! (e.g. 9/11)

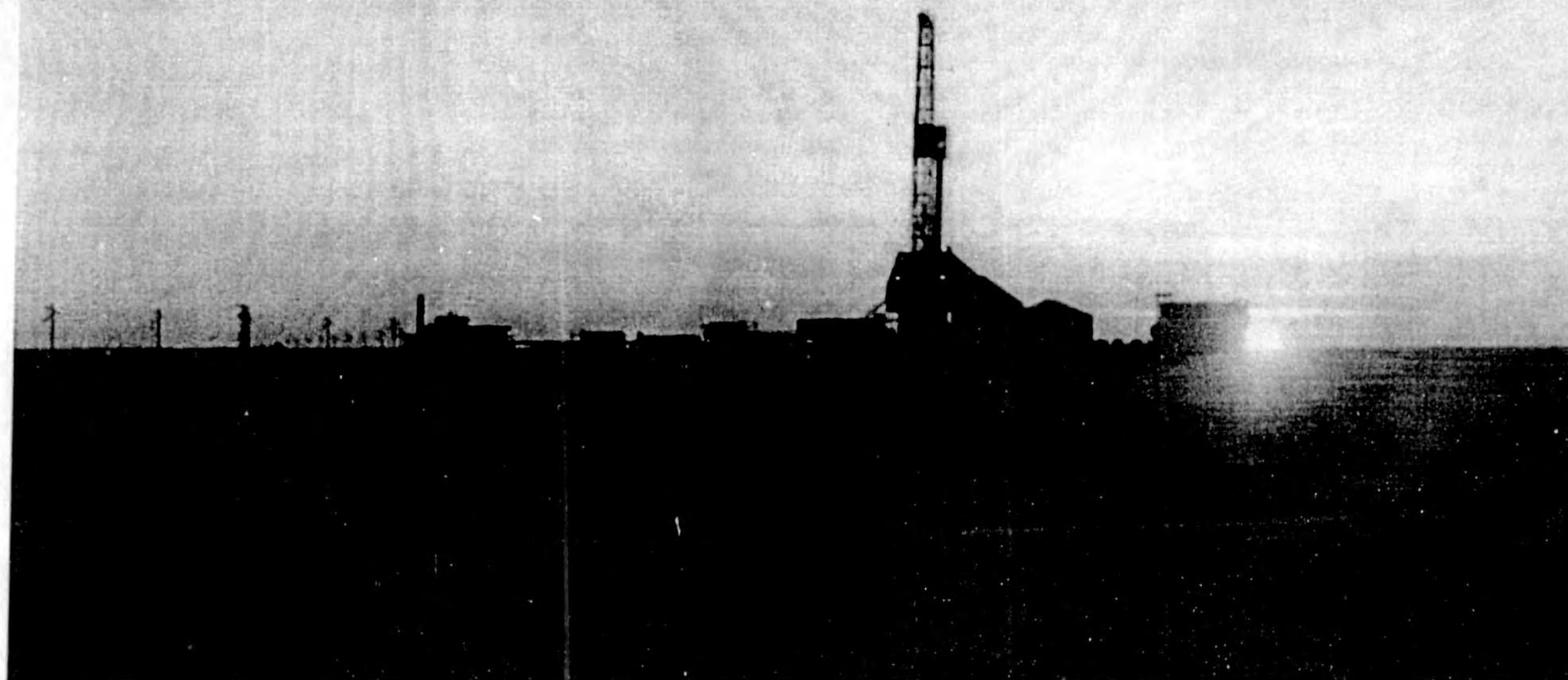


Alaska is an Oil State

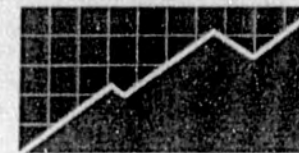


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Therefore we have the luxury to take advantage of other opportunities....

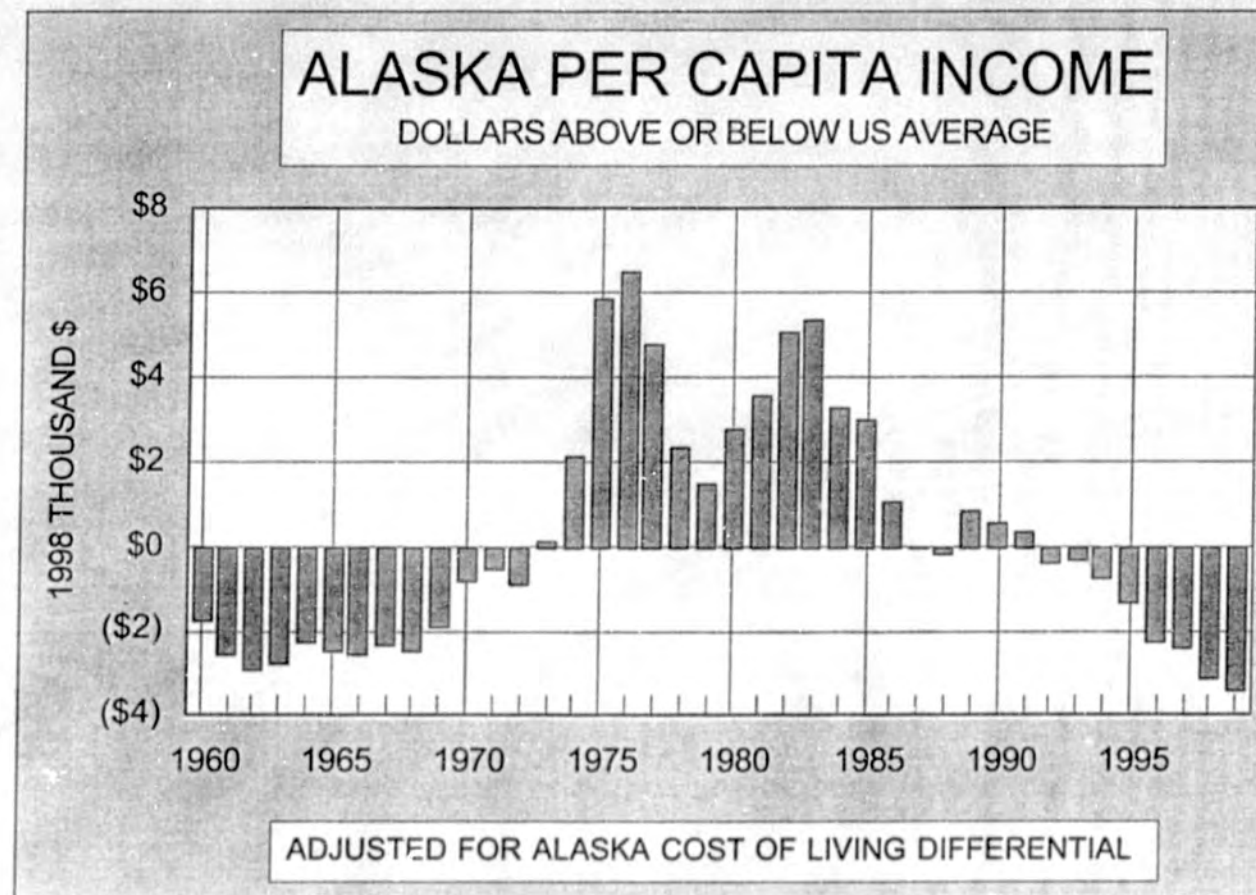


The Cost is Growth Not Development



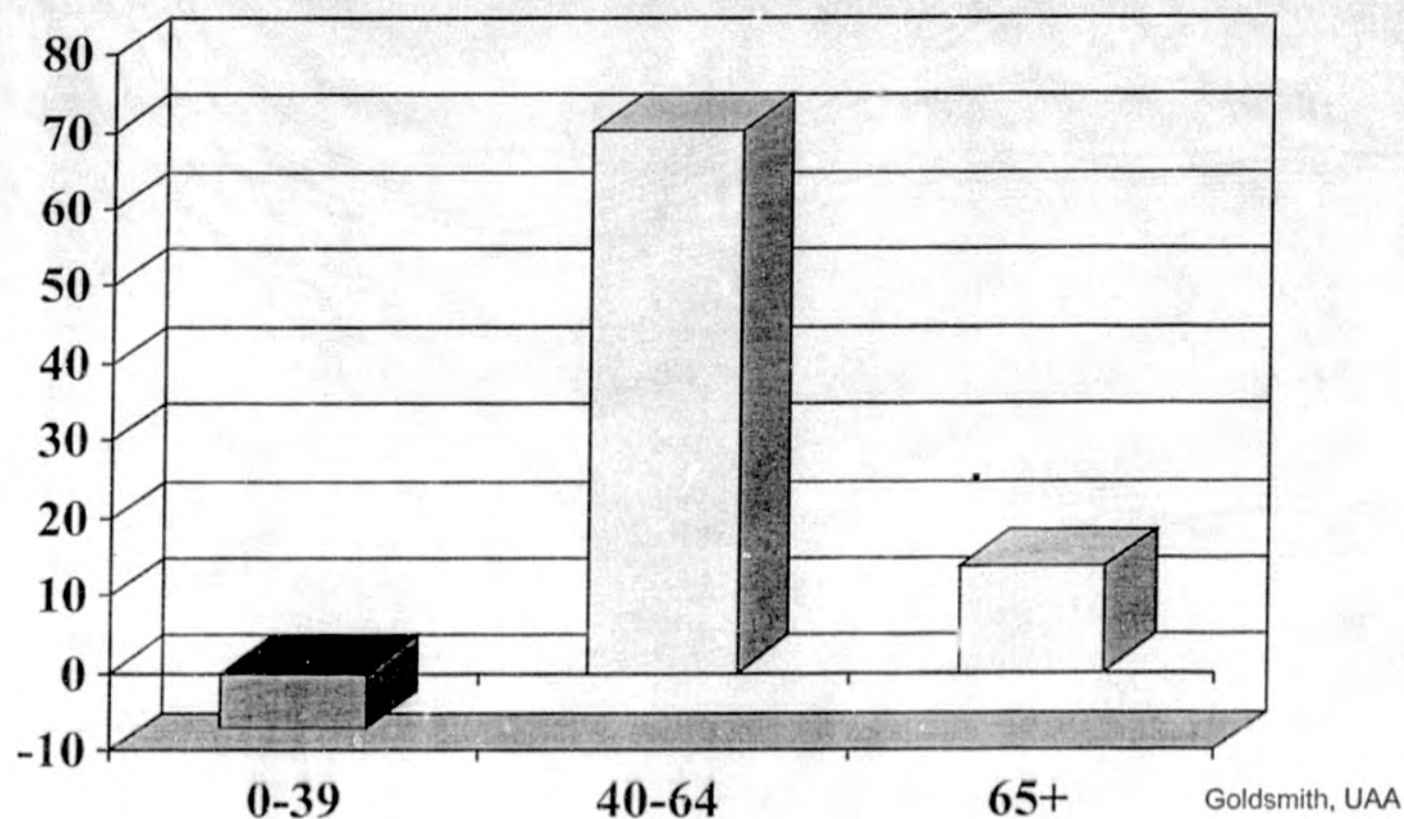
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Per Capita Income is Falling Behind

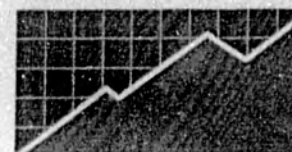




Population Aging Since 1990 (000)



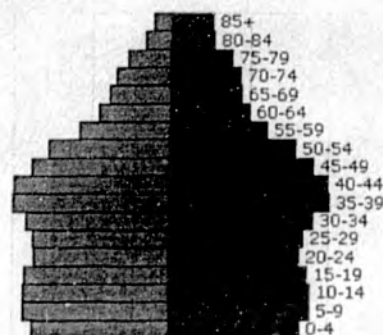
Alaska Demographics



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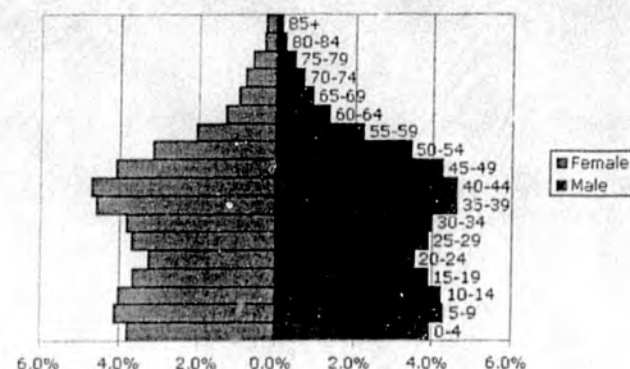
US population (+3.3%; 2000-2003)

Age Distribution, 2000



Anchorage Borough (+4.1%; 2000-2003)

Age Distribution, 2000

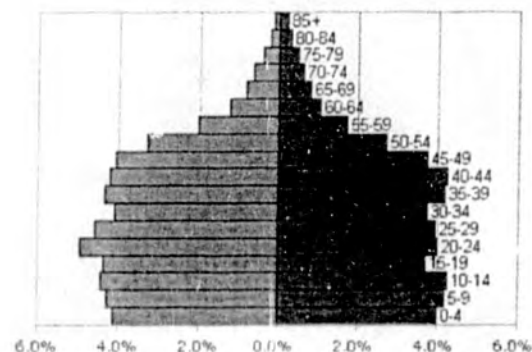


Juneau (+1.5%; 2000-2003)

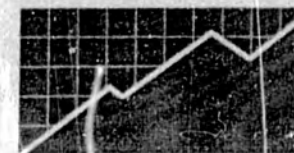
Age Distribution, 2000



Fairbanks Borough (+3.8%; 2000-2003)

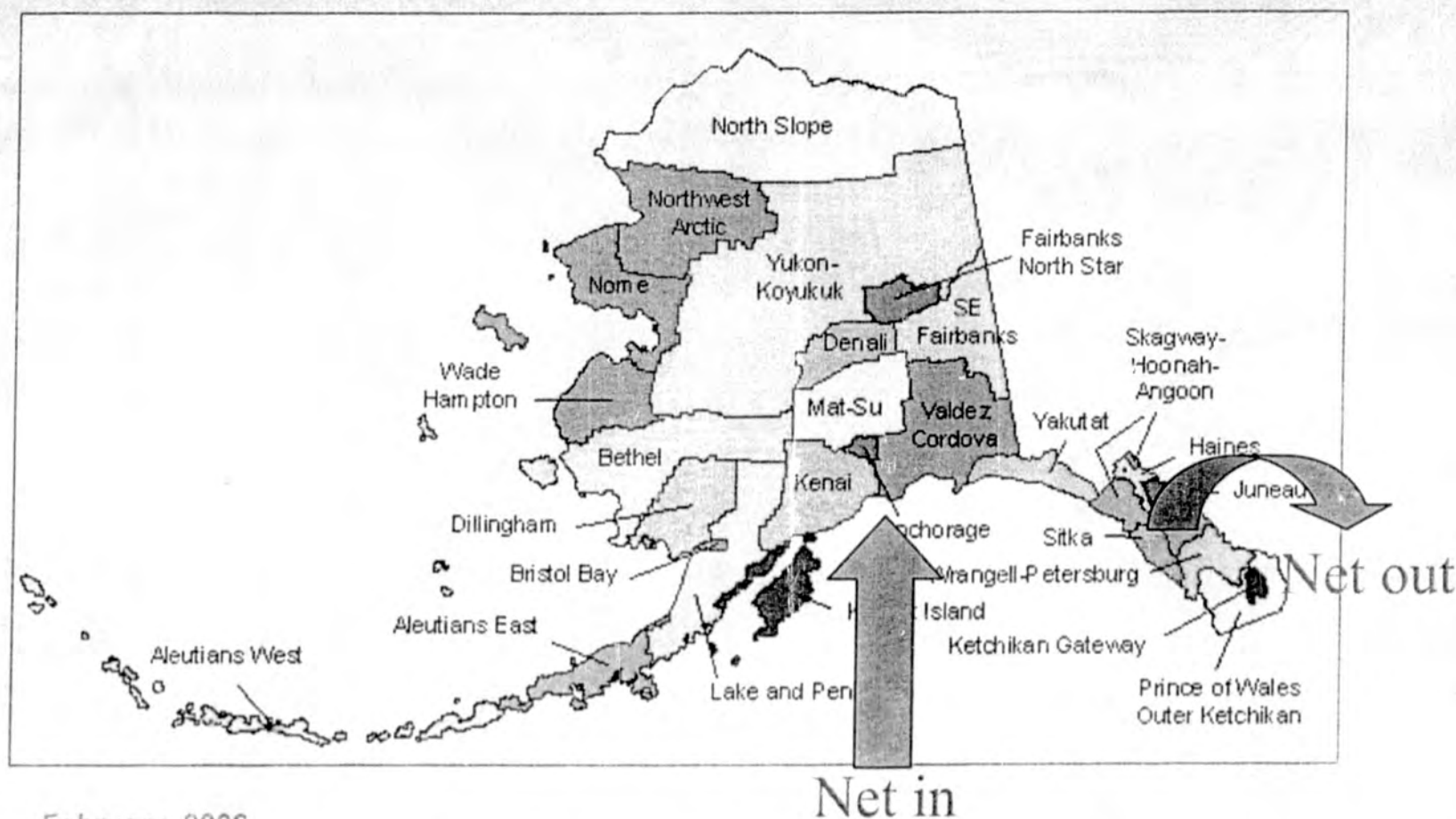


The only significant net “in migration” is
to the Anchorage area

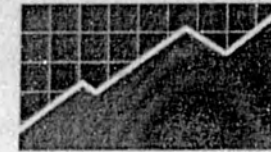


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(SEAK outside of Juneau= -6.4%, 2000-2004)(AK = +4.6% in 2000-2004)



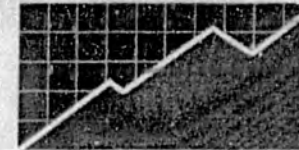
Economic Impacts in CY 2005 and examples of local projects



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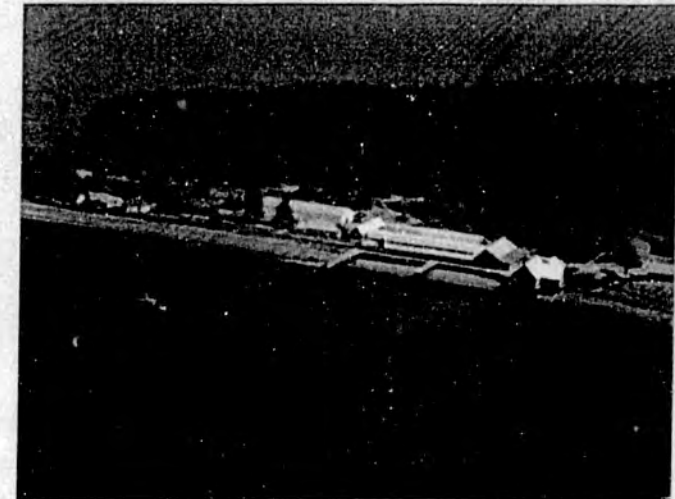
- In 2004 Revolving Loan Fund loan clients have generated over \$13 million in sales revenue (up 11% from 2003) throughout SEAK (2005 numbers are not out yet)
- Counseled >120 clients
- Spun out the Hoonah Incubator project and sold Artic Spirit store to locals - received 2005 national innovation award from NADO
- Grew the Springboard project (57 companies contacted statewide) – Department of Defense technology program
- Completion of the salmon by-product project (new Juneau company launched with over \$5 million in private capital)
- Continued Wood Products Development Program (provided 187 technical assists and 51 manufacturers field visits) and a new wood waste to energy program was launched
- Ketchikan Wood Technology Center spun out into it's own organization

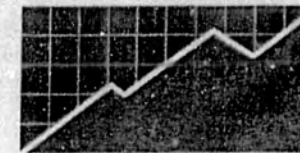
Arctic Spirit Gallery Sold in Late 2005



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- Arctic Spirit LLC
 - A wholly-owned JEDC subsidiary
- Featuring art from Northern & Western AK
 - Whalebone, ivory, fur, etc
- Training in all aspects of running a store
 - Purchasing, pricing, merchandising
 - Supervision, motivation, salesmanship
 - Reading financial statements, and
 - Understanding what drives profitability
- Arctic Spirit Sold to 4 of 5 original employees
- received 2005 national innovation award from NADO



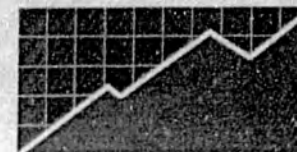


Launched in 1997 to promote job creation and retention as well as sustainable economic diversification in Southeast Alaska.

In addition to direct lending, the RLF packages loans for multi-creditor financing, and provides consulting services for community-based financing.

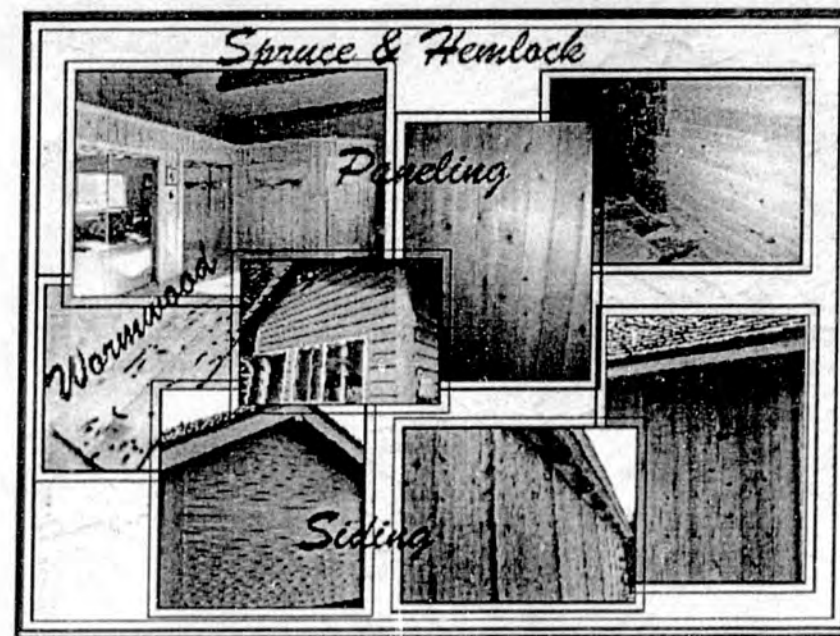
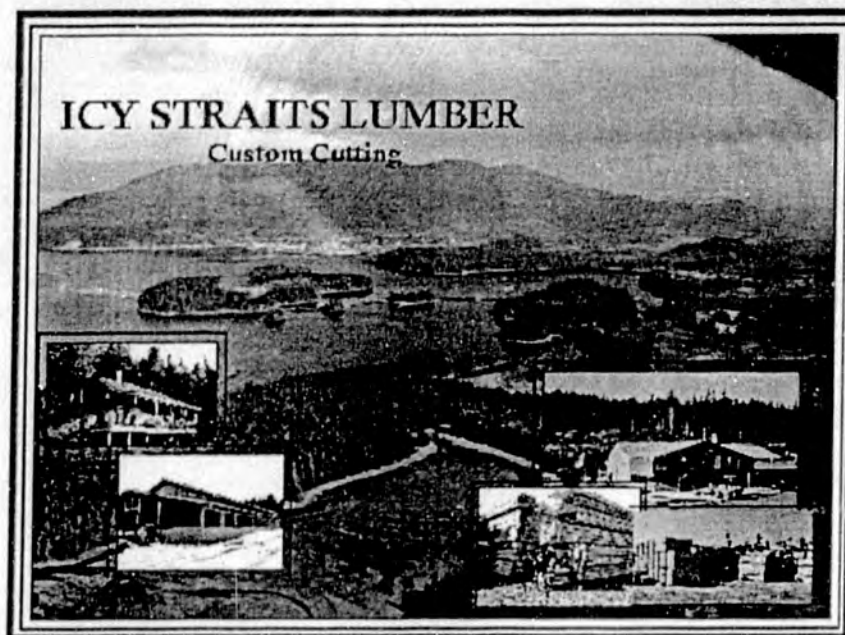
\$2,000,000 loan fund balance - always looking for deals

Icy Straits Lumber & Milling



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Created financing package that enabled former manager to purchase and reopen Hoonah-based sawmill with financing from JEDC, First Bank and State of Alaska.

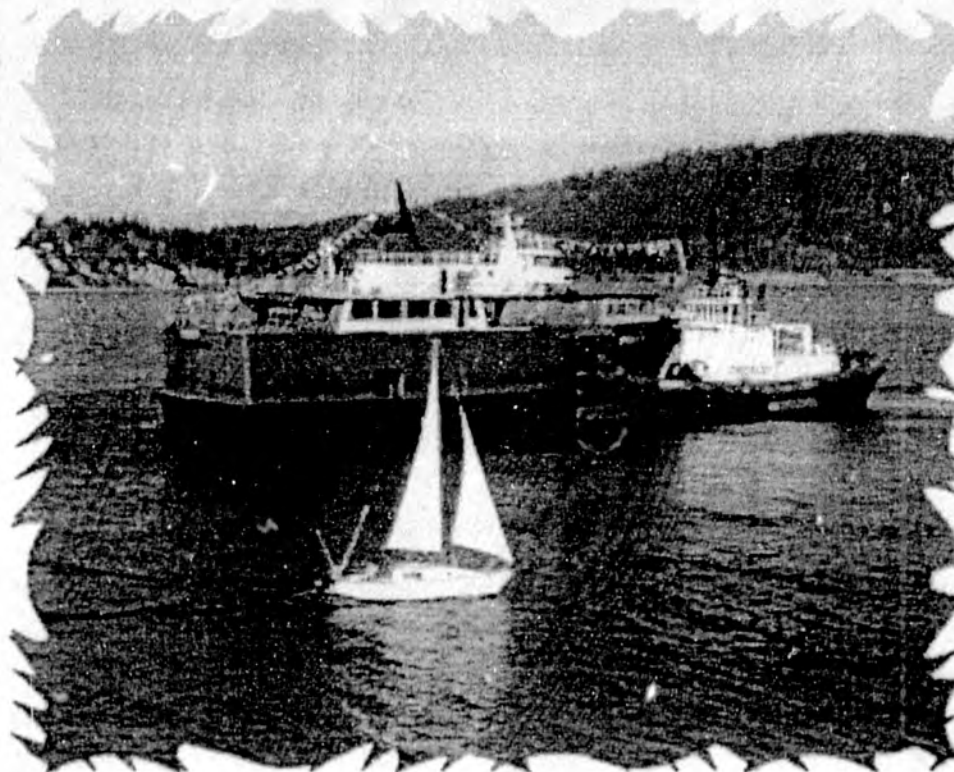


Inter Island Ferry Authority



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Start-up capital provided funds to hire consultants, and pay administrative staff to help secure additional funding for construction and deployment of the Prince of Wales.



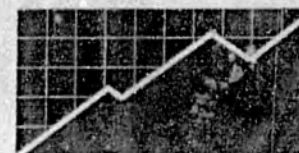
Wood Products Development Service



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- Provides technical and marketing assistance to wood products manufacturers statewide
- Program is working in collaboration with the USDA/USFS and UASE
- Involved with lumber drying (Kiln projects), grading and other value-added work

Ketchikan Wood Technology Center – spun off in 2005



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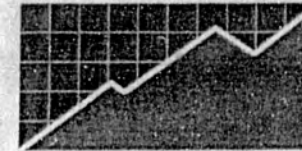
Alaska's yellow cedar rates high in strength

NEW SPECIES: Tests at wood technology center could give it market edge.

The Associated Press

KETCHIKAN -- Alaska yellow cedar has proved so strong that the American Lumber Standards Committee has created a new species designation for the rot-resistant wood.





Privatized & Proven Successful

Federal program to stem loss of mfg. in USA by

- reducing costs, building markets, improving quality

Client based - Work with existing manufacturers

Fee-based funding - 1/3 federal, 1/3 state, 1/3 fees

Very successful nationally: MEP returns more in new taxes than it costs the Federal Government

MEP fed funding depends on creating wealth for clients...

For every federal \$ spent, clients must realize:

- \$3 in new investment
- \$3 - \$8 in new sales or cost savings

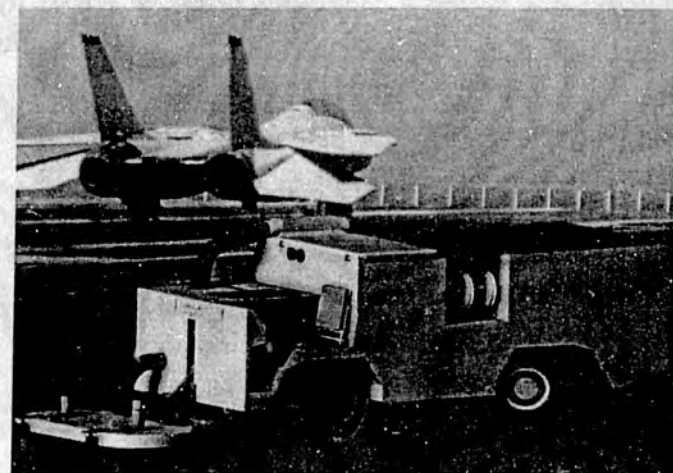


Client/fee-based service to AK firms

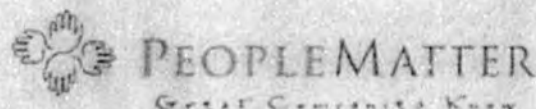
Team w/local partners like JEDC on client services:

- Tech: military communications, software
- Seafood: salmon waste, caviar, Wal-Mart/RFID
- Mfg: boat building, metalworking, plastics
- Ag: meat slaughter/processing, competitiveness
- Timber: sawmills, pallets/wood crating
- Build AK markets for new AK lumber grades
- Rural e-commerce to bring hope to villages
- Native art sales in Lower 48

TRIVERUS LLC



Before SpringBoard approached Triverus, they had already secured a Phase I SBIR to solve the demanding cleaning requirements for deck surfaces aboard aircraft carriers present unique challenges in cleaning effectiveness and expense/resource management. The current method contributes to premature wear of the non-skid deck coating and hazardous waste problems. Triverus LLC proposed a progressive, rapid development approach to solving the problem using advanced computer solid modeling combined with accurate assumptions of the deck cleaning requirements. During Phase I, a Low Pressure Water Jet (LPWJ) vehicle prototype will be designed in principle that will capitalize on existing technology in order to solve the premature wear problems as well as greatly reduce hazardous waste disposal requirements. The net effect of their machine is an effective cleaning while meeting waste recovery and disposal requirements.



PeopleMatter, through the guidance and support of SpringBoard and TechLink, is in the process of submitting an initial offering for the licensing of the National Security Agency (NSA) Patent # 6,904,564 entitled: "Method of Summarizing Text Using Just the Text (KODA)."

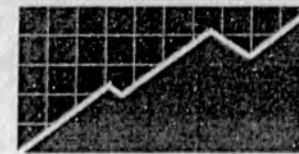


Sequestered Solutions Alaska, Inc., through the guidance and support of SpringBoard and TechLink, is in the negotiation process for the licensing of the US Naval Research Laboratory (NRL) Patent application # US 2005/0022023 A1: Systems and Methods for Providing Increased Computer Security with Secure Network Data Transfer utilizing the NRL's Network Pump.

KACHEMAK RESEARCH DEVELOPMENT, INC

Kachemak Research Development, Inc. (KRD) currently has a contract through Crane, NAVSEA to develop a Mobile Under-Vehicle Inspection System (MUVIS). KRD has a patent pending for the system. While KRDs engineering team has designed/created the majority of the mechanical and electrical components for the system, they do not have software engineering expertise primarily in image stitching and operator control unit (OCU) software development.

Kachemak Research Development MUVIS



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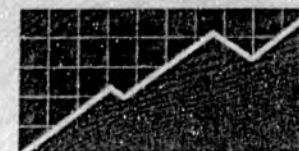
We do have assets...
Technology applied to Alaskan Industries



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The Knowledge Industry Network



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Objective:

The Knowledge Industry Network works toward two important needs a) diversifying and growing Alaskan economies through creativity and innovation, and b) creating a thriving environment for students and young adults.

The Knowledge Industry Network will accomplish its mission through:

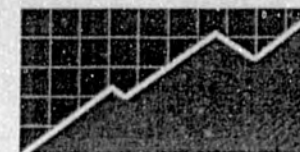
Networking—The Knowledge Industry Network will host events in 2006 with varying agendas including discussion topics and speakers with a purpose of bringing a broad range of interests and backgrounds together to establish relationships leading to new ventures.

Access Alaska Network—This website will be an online network to provide users with a “one-stop” resource to access business and technical assistance, mentors, capital and common/complimenting interest professionals.

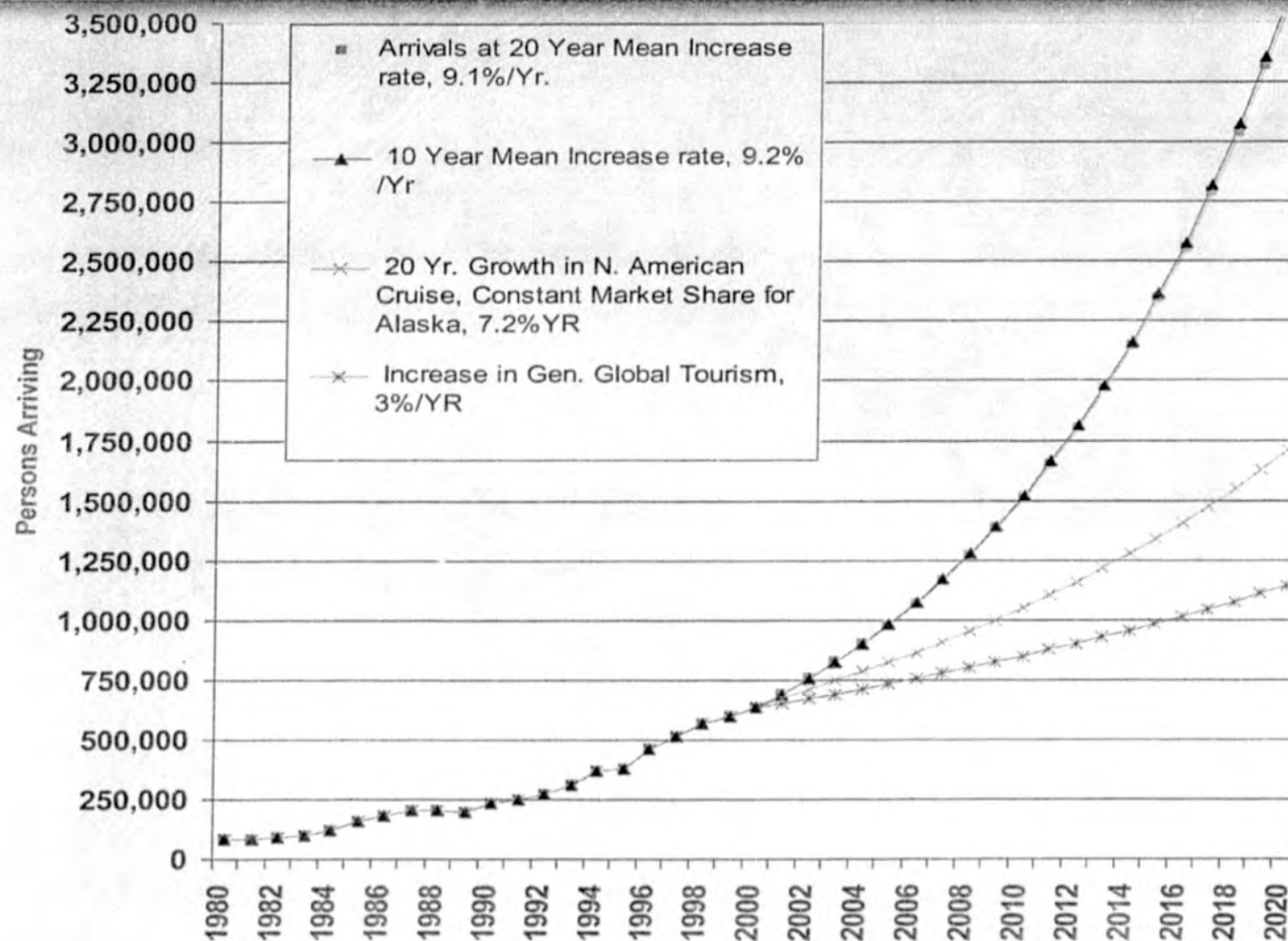
School to Work—KIN will initiate a comprehensive internship program focusing on high school and college students to begin their process of creating interests, skill and networks within Alaska’s business communities.

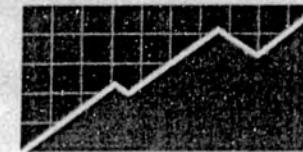
Innovative Competitions—These innovative competitions give out-of-state students and professionals an opportunity to reconnect with Alaska.

Juneau (the portal for most Alaskan visitors)
Cruise Arrival
Trend and Projection – due to world events.



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Salmon Value Chain



SALMON



HARVESTER

- Frozen
- Fresh
- Roe



PROCESSOR

- Cans
- Fillets
- Frozen
- Roe

BYPRODUCTS (50%)

- Hi-T Meal
- Composte
- Liquid Fish Protein (hydrolysate)

Feed for

- Pigs
- Poultry
- Shrimp
- Livestock
- Humans

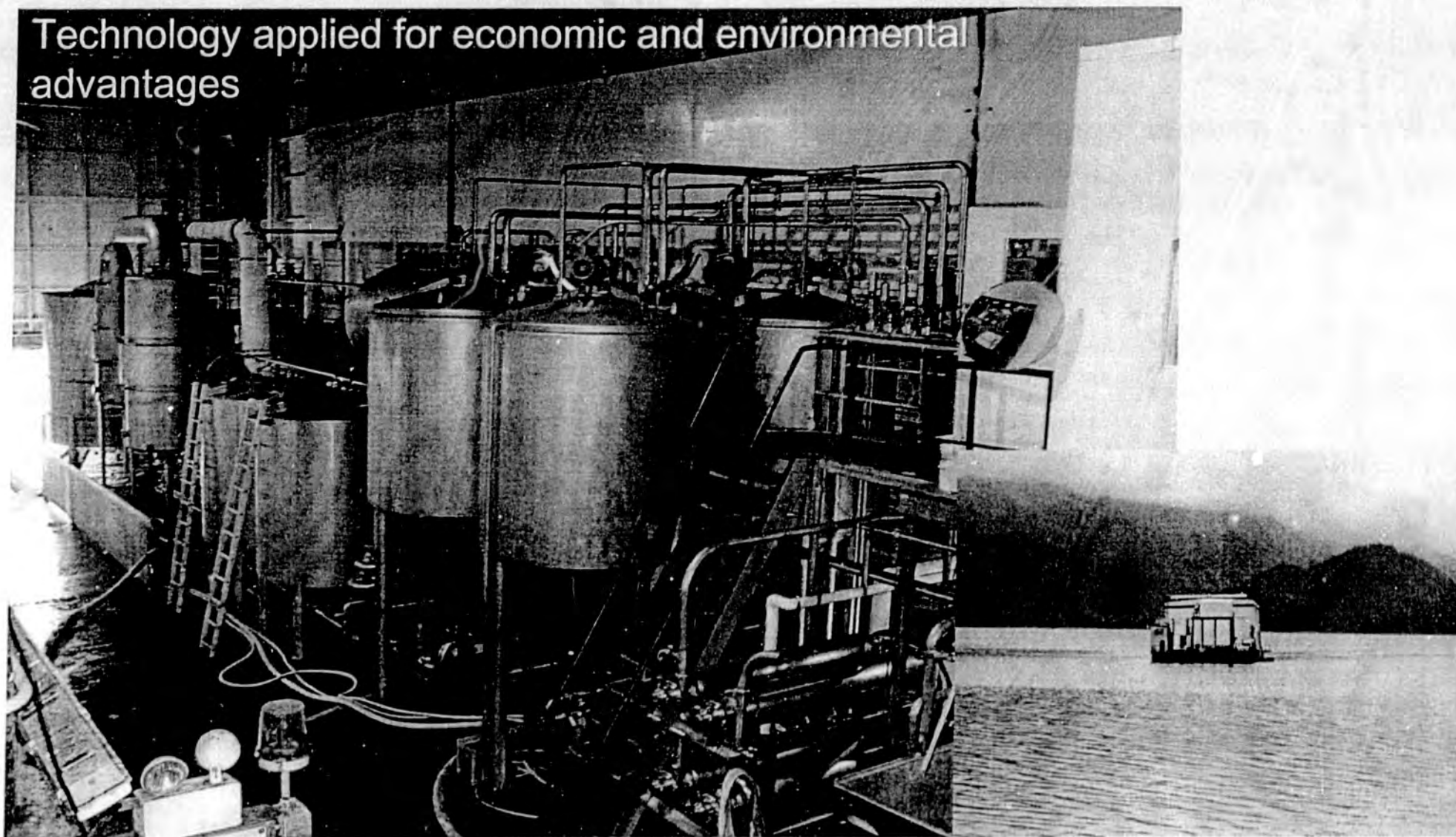
Alaska Protein Recovery, LLC. Salmon Hydrolysate



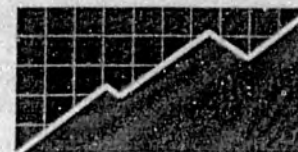
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Liquid Fish Protein

Technology applied for economic and environmental advantages

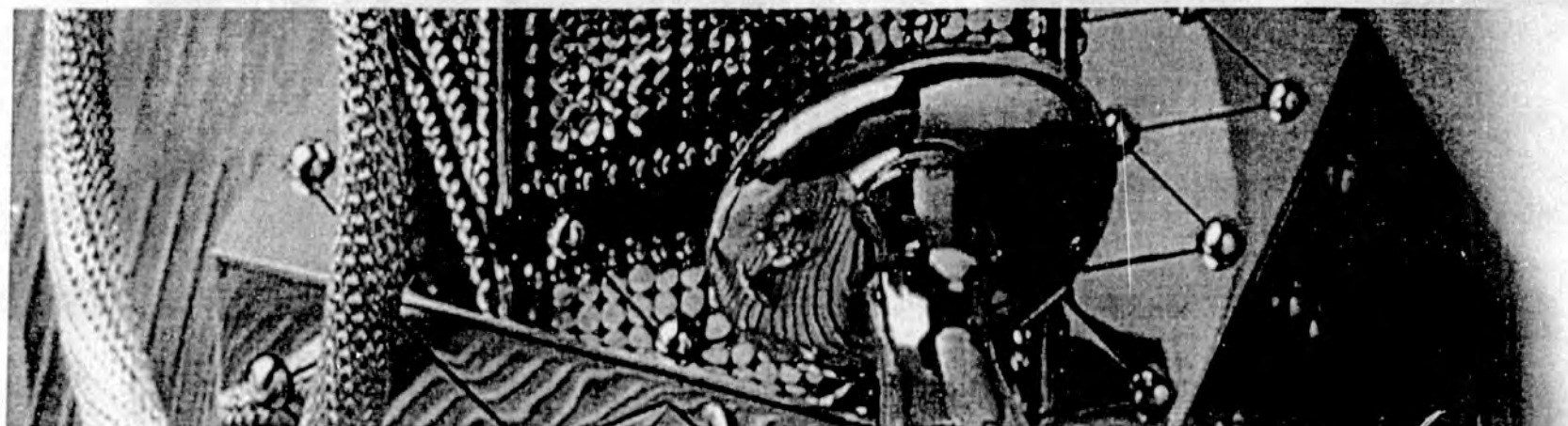


Mineral Resources



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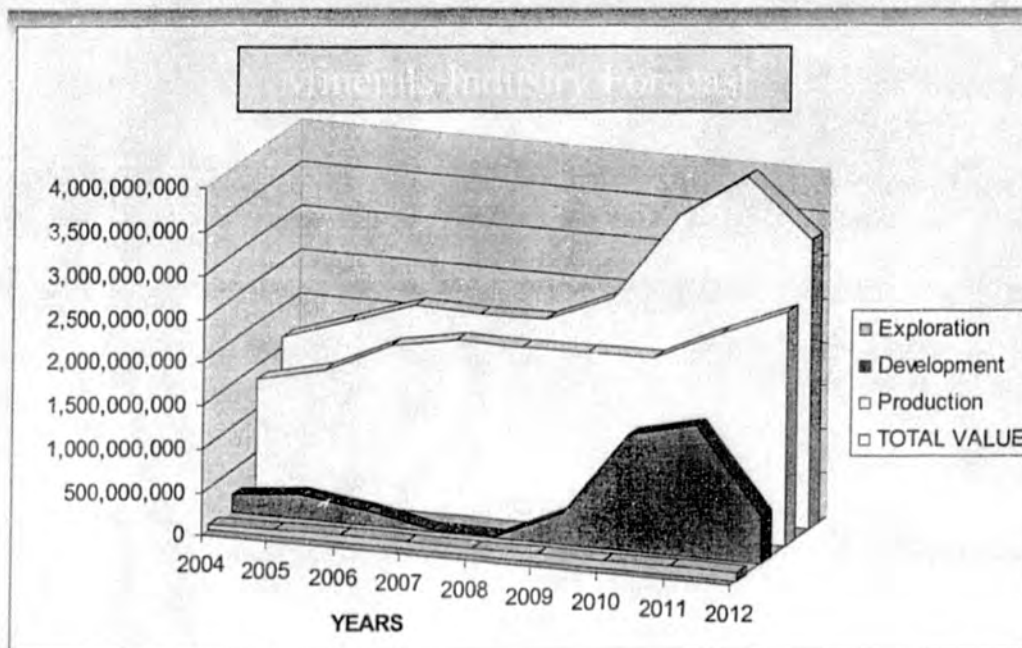
Greens Creek is the largest silver producer in NA and largest private employer (and tax payer) in Juneau



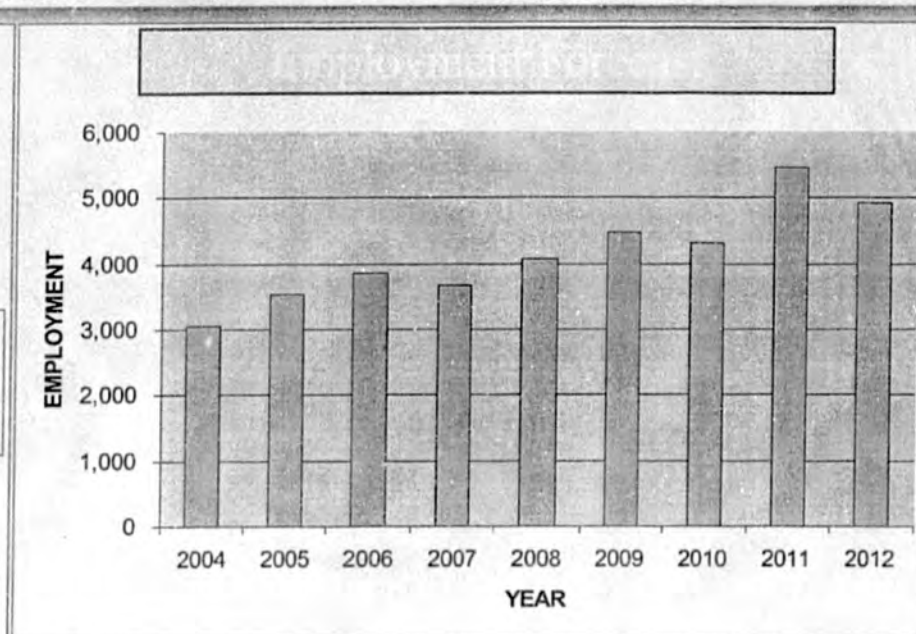
INDUSTRY FORECAST



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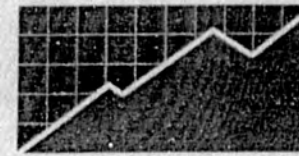


The industry should grow from current levels to about \$3.4 billion by 2012. This considers development and production for/from Pogo, Rock Creek/Big Hurrah, Kensington, Nixon Fork, Donlin, Pebble, Chuitna Coal, others in addition to continuing current levels.



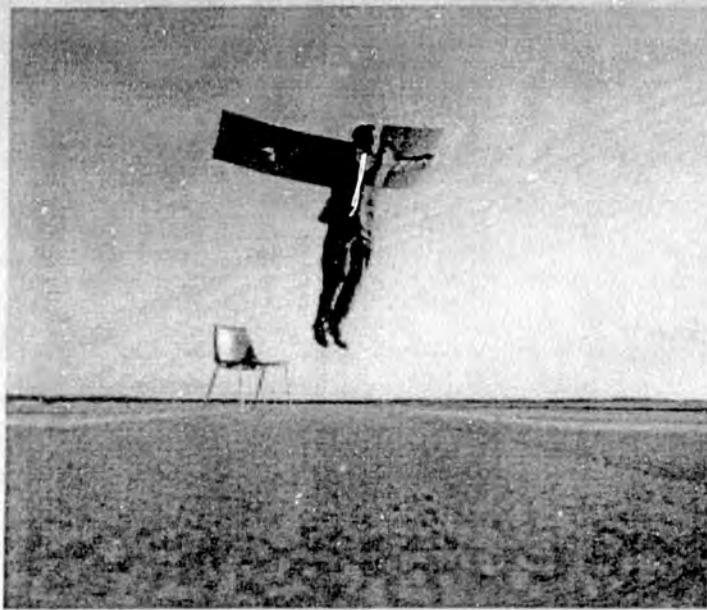
Employment should respond in the same manner with a 5,000 number being very realistic for the industry by 2012.

JEDC Looking Ahead

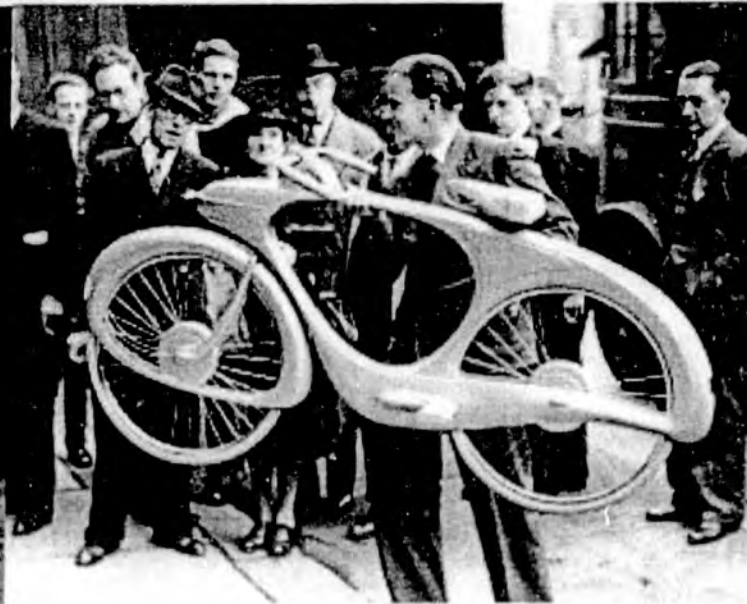
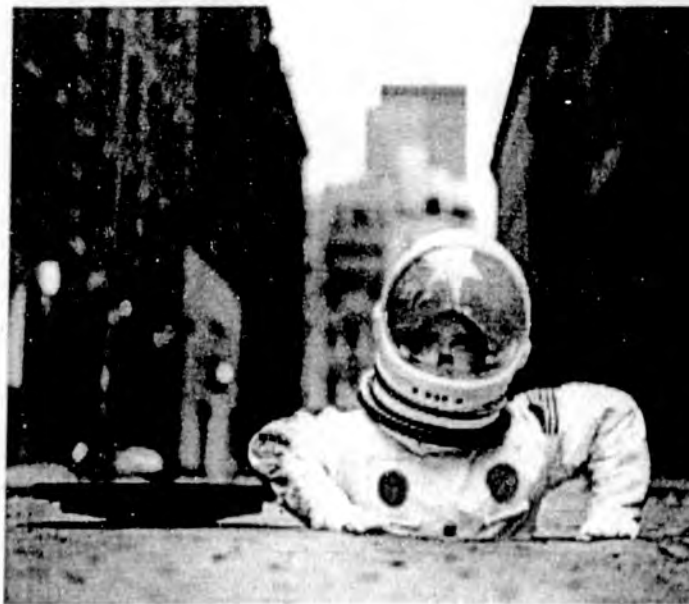


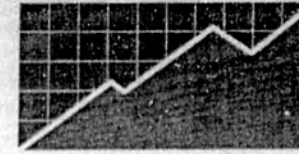
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- Continue to leverage and apply technology and science to our core Alaskan industries and competencies
- Focus on supporting risk takers and innovators, family wage jobs, brain drain, access to capital and helping entrepreneurs from the local to statewide levels
- Work with regional and statewide organizations to achieve effective local development and global competitiveness



**Imagine a world without entrepreneurs
and risk takers**





We are excited about our shot for the future



*"You'll always miss 100% of
the shots you don't take"*

-Wayne Gretzky