

SCOMM

152:1

World Trade and State/Federal Relations

COMMITTEE ROLL CALL

Date _____ Time _____ Subject _____

	Present	Absent
Chairman Senator Cowdery	_____	_____
Senator Elton	_____	_____
Senator Hoffman	_____	_____
Senator Olson	_____	_____
Senator Stedman	_____	_____
Senator Wagoner	_____	_____

SENATE WTSFR COMMITTEE MEETING

Senator John Cowdery 2/13/2007

TO BEGIN

The meeting of the Senate World Trade/State Federal Relations Committee is called to order. Let the record show its _____ p.m. on February 13, 2007.

Present are: **Senators Stedman** **Senator Hoffman**
 Senator Olson **Senator Elton**
 Senator Wagoner

and myself, Senator Cowdery.

I understand that some members may need to leave at 3:30 to attend the Senate Community and Regional Affairs Committee meeting next door.

- Today's presentation is by **Greg Wolf, Executive Director of the World Trade Center Alaska;**
- **Mr. Wolf will provide you with a copy at the end of the meeting;**
- Additional copies are available from my staff

Mr. Wolf please introduce yourself for the record and begin

END OF MEETING:

Adjourn at _____ p.m.

Presentation Highlights

"The Importance of International Trade to Alaska's Economy"

**By Greg Wolf
Executive Director
World Trade Center Alaska**

Record High: For the full year 2006, Alaska's worldwide commodity exports are expected to top **\$4 billion**

4th Consecutive year of double digit export growth

Exports account for 10% of state's economic output

Exports support thousands of direct and indirect jobs

Top Export Commodities:

Seafood
Minerals
Energy
Fertilizers
Forest Products
Precious metals

Top Export Markets:

Japan
Korea
China
Canada
Germany

China is fastest growing major market for Alaska

World Trade Center Alaska celebrates 20th Anniversary in 2007

Public-Private Partnership with State of Alaska, U.S. Department of Commerce and Private Sector

WORLD TRADE CENTER ALASKA NEWS

FOR IMMEDIATE RELEASE

February 2, 2007

For more information: Gregory Galik +1 907 229-3474



**WORLD TRADE CENTER
ALASKA**

Alaska Edges \$4 Billion in Annual Exports – World Trade Center Alaska Celebrates 20 Years

Alaska's international trade reached an important milestone in 2006. For the first time in its history, Alaska's yearly exports to overseas markets were set to top the \$4.0 billion mark in December. News of this approaching milestone was announced at World Trade Center Alaska's 2007 Statewide Economic Forecast Luncheon, conducted in mid-January at the Sheraton Anchorage Hotel.

"The final 2006 numbers aren't in yet, but the data for January through November shows that the state's exports have already reached \$3.9 billion," according to Greg Wolf, Executive Director of World Trade Center Alaska, in Anchorage. Once the month of December is added, Wolf expects Alaska's export total to reach the \$4 billion mark. He also indicated that this would mark the fourth consecutive year of double-digit export growth.

"In some export sectors, the increase can be attributed to higher prices being realized for these commodities," said Wolf. "The minerals sector is a good example: from 2005 to 2006, the market price for zinc, Alaska's largest mineral export, doubled in price," he noted.

Leading the export surge was the increase in value of mineral and other exports to China and Canada. Shipments to Korea also rose in 2006, reaching an all-time high. Exports to China have quadrupled since 2001, topping \$400 million in 2006. "China's economic rise and its voracious appetite for natural resources has been the predominant force influencing Alaska's export growth over the past five or six years," said Wolf, who has been an economic development professional and export advocate in Alaska for the past 18 years. "Not only are they buying more of our resources, but this increase in demand from China and other rapidly growing economies has led to higher market prices," he said.

Amidst the cheer for Alaska's good fortune, Wolf also noted that his organization, World Trade Center Alaska, turns 20 this year. "From our beginnings in 1987, we have grown as an organization and have worked with many Alaska companies to find and pursue business opportunities overseas" he continued. The Center has been particularly effective helping Alaskan companies find export opportunities in high growth Asian markets and the Russian Far East. "Many in the US forget that our western states are very much a part of the Asia-Pacific economy," Wolf noted. "California, for example, ships about 30 percent of their exports to Asia-Pacific countries, while Washington and Alaska send 40 and 65 percent, respectively. If you rank Alaska in terms of the percentage of exports relative to its gross state product, we would rank eighth in the nation; fourth if export value per capita is considered. The world's

WORLD TRADE CENTER ALASKA NEWS

appetite for healthy diets is increasingly being met by the wild-caught bounty of Alaska's vast ocean resource," Wolf said.

One of Alaska's major shipping companies, Lynden International, has been a member of World Trade Center Alaska from its earliest days. "I've been delighted to see the growth in this organization's membership over the years, to see it parallel the rise in exports," said Dennis Mitchell, Regional Manager Alaska, for Lynden. "But their success is due to the service they provide Alaska's businesses, including ours. Being a member opens a lot of doors in overseas markets. For 20 years, they've been doing a remarkable job, building economic ties with our important trading partner nations," he added.

Tom Case, Dean of the University of Alaska, Anchorage, College of Business and Public Policy, said that in a state primarily engaged in natural resource extraction, the World Trade Center is also an important business ally in terms of finding new market opportunities for value-added products.

"WTC Alaska provides businesses with the resources and technical assistance they need to take their domestic-only operations to the next level. While being an asset to current businesses, they've also provided a wonderful hands-on experience for business students, our next generation of industry leaders," Case said.

Aside from technical assistance and resource information, WTC Alaska puts on seminars, has monthly programs, holds annual economic forecast events and leads international trade missions. The organization is funded by a combination of private and public sector support. "In that regard, our mission is for all Alaskan businesses," Wolf said.

"We are on the cutting edge to find the next big markets for Alaska's exporters," Wolf continued. "Every day we get to work with some of the most innovative and progressive companies in the state. It's great work because exports are a growing component of the state's economy. And that means exciting days ahead for Alaska and the Trade Center, one of 300 centers in 78 countries."

For more information about World Trade Center Alaska, visit the website:
<http://www.wtcak.org/> or call 907 278-7233.

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Note Editors:

Greg Wolf is available for interviews to expand on the positive outlook for Alaska trade. Please contact Greg Galik for help.

A segment graph is attached detailing the makeup of Alaska trading -- by country.

A full copy of Greg Wolf's presentation regarding Alaska Trade is on their website:

<http://www.wtcak.org/EF2007R/GWEF2007.pdf>

World Trade Center Alaska
India and Singapore
Business Conference
May 18, 2006

New Markets

WORLD TRADE
CENTER



ALASKA

New Customers

World Trade Center Alaska
Trade Mission to India
and Singapore
June 17-19, 2006



WORLD TRADE
CENTER



ALASKA



**Discover New Markets and Customers
for your Business.**

Alaska-India/Singapore Business Conference
May 18, 2006 (8:30am to 5:00pm)
Egan Convention Center, Anchorage

You can't afford to miss this information-packed, one-day conference designed to provide you with the information you need to understand India and Singapore's economies and how to pursue business opportunities in these rapidly expanding markets.

WTCAL Trade Mission: India - Singapore
June 17-29, 2006

Don't miss this chance to gain a first-hand perspective on these emerging markets. Meet potential customers, business partners, and valuable contacts. Learn about India and Singapore's history and culture.

World Trade Center Alaska
431 West 7th Avenue, Ste. 108 Anchorage, AK 99501
Telephone: (907) 278 - 7233 Fax: (907) 278 - 2982
For details and registration please visit WWW.WTCAK.ORG

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World Trade Center Alaska
China Trade Mission
September 17 - 29
2005

WORLD TRADE
CENTER



ALASKA

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World Trade Center Alaska
China Trade Mission
September 17 - 29
2005



China's rise to economic prominence is the biggest mega-trend of this century. China is already Alaska's 4th largest export market- and rising rapidly.

Does Your Company Have a China Strategy?

**1st Alaska-China Business Conference
Thursday, 1 September 2005 (8:30am to 5:00pm)
Hilton Anchorage Hotel**

You can't afford to miss this information- packed, one-day conference designed to provide you with the information you need to understand China's new economy and how to pursue business opportunities in this rapidly expanding market.

WTCAL China Trade Mission: Shanghai - Beijing September 17 – September 29, 2005

Don't miss this chance to gain a first-hand perspective on the world's largest emerging market (and Alaska's fourth largest trading partner). Meet potential customers, business partners, and valuable contacts. Learn about China's history and culture.

**World Trade Center Alaska
431 West 7th Avenue, Ste. 108 Anchorage, AK 99501
Telephone: (907) 278 – 7233 Fax: (907) 278 – 2982
For details and registration please visit WWW.WTCAK.ORG**

**2nd Annual
Alaska-China Business Conference
November 3, 2006
Hilton Anchorage Hotel**

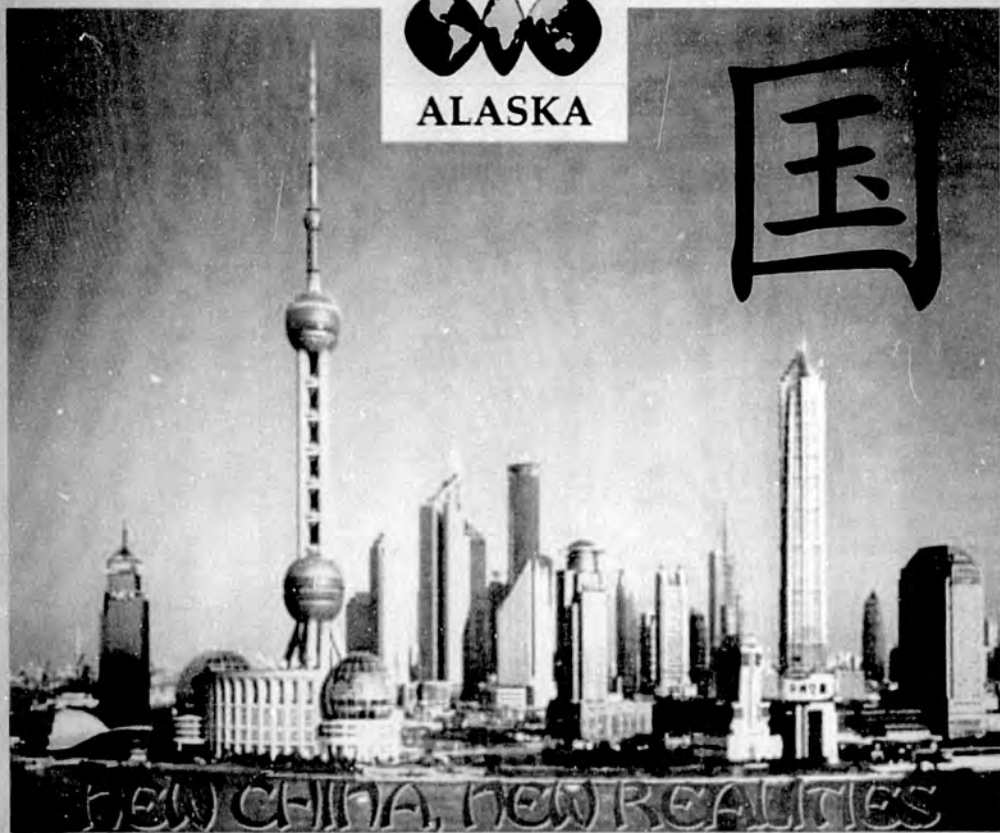
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WORLD TRADE
CENTER



ALASKA

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2nd Annual Alaska-China Business Conference
Friday, November 3, 2006 (8:00am to 5:00pm)
Hilton Anchorage Hotel

Are you ready to take advantage of the new realities of China?

Gain the latest business intelligence and market insights
from experienced "China Hands"



Learn about resources to help you explore and pursue
business opportunities in Alaska's fastest growing export destination



Find out about the role of Hong Kong
as a gateway to the China Market

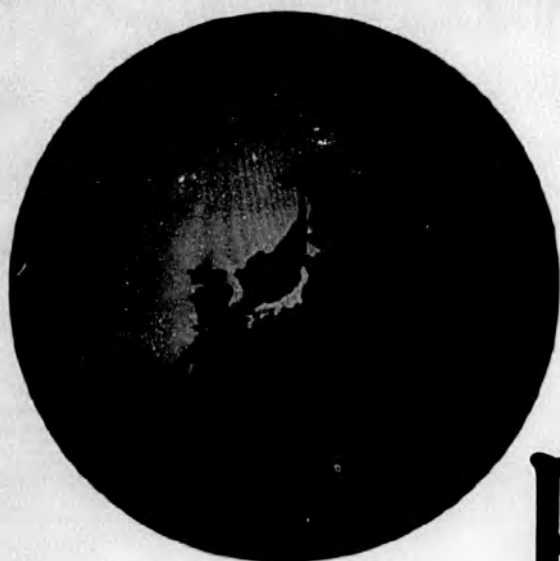


Meet the experts and have your questions
answered between sessions and during the reception

REGISTER TODAY AT WWW.WTCAK.ORG

World Trade Center Alaska
431 West 7th Avenue, Ste. 108 Anchorage, AK 99501
Telephone: (907) 278 - 7233 Fax: (907) 278 - 2982

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WORLD TRADE
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ALASKA

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Join us for an exciting week of activities focused on Japan, Alaska's long-standing # 1 trading partner and major investor in Alaska's key industries. The week includes several business and cultural events to enhance your knowledge of Japan's economy, business environment and fascinating culture.

**Dinner with Minister Hiroaki Ishii
Embassy of Japan, Washington, D.C.**

Topic: "Japan's Long-Term Energy Needs and Strategy"

Tuesday, November 15, 2005 (5:30pm to 7:30pm)

Hilton Anchorage Hotel

Experience Japanese Culture through Cuisine

Wednesday, November 16, 2005 (5:30pm to 7:30pm)

Tempura Kitchen Restaurant (3826 Spenard Rd., Anchorage)

Enjoy Japanese cuisine while learning important cultural "do's" and "don'ts".

Executive Breakfast Briefing: JETRO representative

Friday, November 18, 2005 (8:00am to 10:00am)

Petroleum Club of Alaska (3301 C St # 120, Anchorage)

Gain insights about the services and information available from the Japan External Trade Organization as well from your local trade service providers.

World Trade Center Alaska

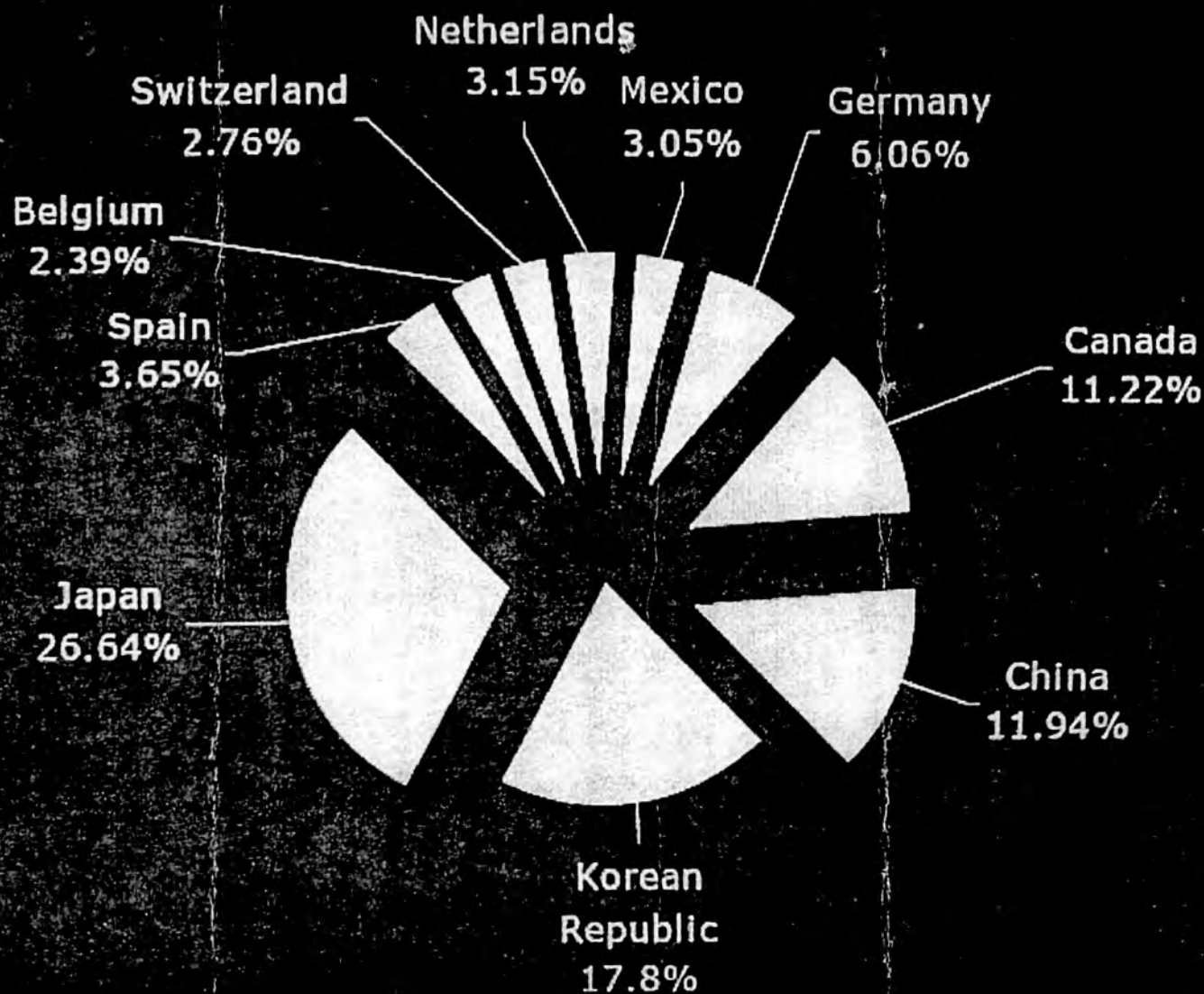
431 West 7th Avenue, Ste. 108 Anchorage, AK 99501

Telephone: (907) 278 - 7233 Fax: (907) 278 - 2982

For details please visit WWW.WTCAK.ORG

Alaska's Top Ten Export Markets 2006

Eleven month January - November



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431 West Seventh Avenue, Suite 108
Anchorage, Alaska 99501 U.S.A.



ALASKA

Tel: 907-278-7233 Fax: 907-278-2982

Email: info@wtcak.org Website: www.wtcak.org

World Trade Center Alaska is...

World Trade Center Alaska is a private, non-profit membership organization providing international trade and business services to members and community partners across the state. The mission of WTCAK is to assist Alaskans to successfully compete for trade and investment in the global market place.

The Center pursues this mission through five core functions:

Trade Capacity-help Alaska companies to become export ready through information, seminars, conferences and other technical assistance.

Trade Development-research new markets and identify trade opportunities for Alaska companies.

Trade Service-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.

How do you become a WTCAK member?

Contact: info@wtcak.org

Tele: 907-278-7233

AMBASSADOR CIRCLE AWARD

1997-John McClellan • 1998-Brian Brundin • 1999-E.H. Pete Nelson • 2000-Ben Barerra • 2002-Dennis Bird

PREMIUM LEVEL MEMBERS

CEO CLUB: Lynden International • South Central Timber Development • Wells Fargo Bank Alaska

CORPORATE: Alaska Airlines • Alaska Business Publishing Co. • Alaska Interstate Construction, LLC • Alaska Railroad Corporation • ASCG, Inc.
BP Exploration (Alaska), Inc. • FedEx • International Telecom, Inc. • UBS Financial Services • United Parcel Service

**WORLD TRADE
CENTER**

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Tel: 907-278-7233 Fax: 907-278-2982

Email: info@wtcak.org Website: www.wtcak.org

ALASKA

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Mr. Bill Brophy, Vice-President, Customer Relations - Usibelli Coal Mine, Inc.

Mr. Tom Case, Dean, College of Business & Public Policy - University of Alaska Anchorage

Mr. Gregory J. Galik, President - AADLAND Marketing

Mr. Joseph Henri, President - South Central Timber Development, Inc.

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**WORLD TRADE CENTER
ALASKA**

NEWS RELEASE

FOR IMMEDIATE RELEASE

February 5, 2007

For more information: Greg Wolf +1 907-278-7233

**World Trade Center Alaska and the Anchorage School District
Establish Partnership to Benefit Students**

World Trade Center Alaska (WTCAL) and the Anchorage School District (ASD) have entered into a school business partnership that will assist high school students enrolled in the district to gain a better understanding of Alaska's role in the international economy.

Through the School Business Partnership Program, the Trade Center will host students at a number of events each year, including the Center's annual statewide economic forecast luncheon as well as major international-focused conferences and seminars conducted by the Center. Additionally, the Center will offer mentorship opportunities to students through the District's Gifted Mentorship Program.

"We are very pleased to work with the Anchorage School District and offer opportunities for high school students to become familiar with Alaska's international trade economy," said Greg Wolf, executive director of World Trade Center Alaska. "These are tomorrow's leaders and we hope that some of them will be involved with Alaska's major export industries once they enter the workforce."

"This newest partnership is wonderful example of how a business can directly participate in work force development. Our program encourages businesses of all sizes, large and small, profit and non-profit as well government agencies to get involved," said Tam Agosti-Gisler, executive director of Anchorage School Business Partnerships.

Partnership activities have already begun. In mid-January, the Trade Center invited nine students and their teacher from Bartlett and West to attend the 2007 Statewide Economic Forecast Luncheon, one of the state's largest annual business events. The Trade Center will soon begin a mentorship of an international exchange student from Dimond High School.

About Anchorage School Business Partnerships: In its 16th year as a program of both the ASD and the Anchorage Chamber of Commerce, there are over 450+ partnerships at all levels and in most schools.

About World Trade Center Alaska: Founded in 1987, World Trade Center Alaska is a private, non-profit corporation whose mission is to assist Alaskans to successfully compete for trade and investment in the global market place. The group is a member of the global network of nearly 300 trade centers located in 78 countries. For more information about World Trade Center Alaska, visit the website: <http://www.wtcak.org/> or call 907 278-7233.

WORLD TRADE CENTER ALASKA NEWS

FOR IMMEDIATE RELEASE

February 2, 2007

For more information: Gregory Galik +1 907 229-3474



WORLD TRADE CENTER

ALASKA

Alaska Edges \$4 Billion in Annual Exports - World Trade Center Alaska Celebrates 20 Years

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"In some export sectors, the increase can be attributed to higher prices being realized for these commodities," said Wolf. "The minerals sector is a good example: from 2005 to 2006, the market price for zinc, Alaska's largest mineral export, doubled in price," he noted.

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WORLD TRADE CENTER ALASKA NEWS

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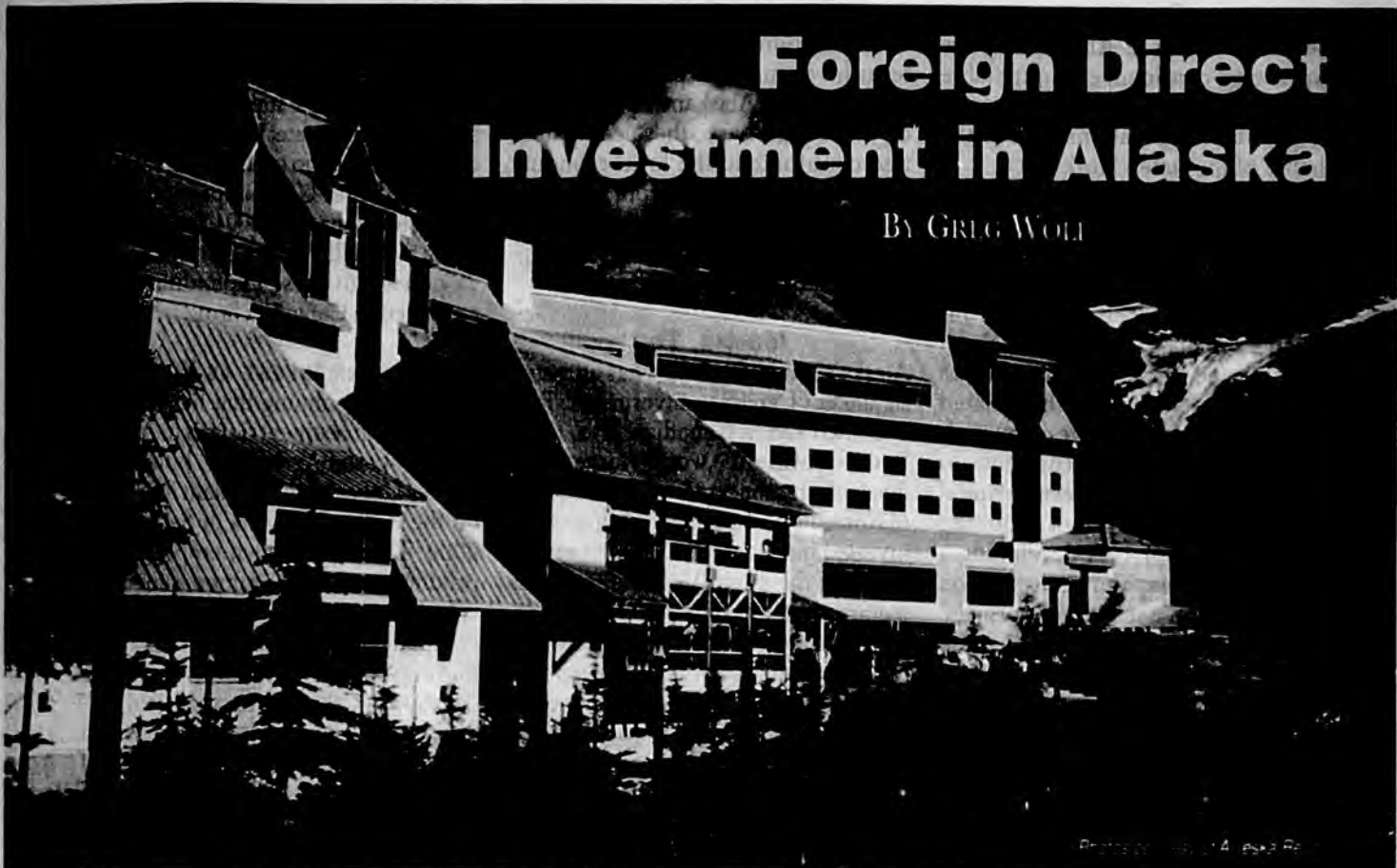
WORLD TRADE CENTER ALASKA NEWS

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Foreign Direct Investment in Alaska

By GREG WOLF

Prince Hotels Inc. of Japan owns the world-class Alyeska Resort at Girdwood. To date, the company has invested \$180 million into the hotel, tram and other facilities. The hotel is now for sale.

Without question, FDI plays a critical role in the state's economy. In addition to their direct capital investments, these companies also contribute significantly to the communities where they operate through payrolls, taxes, procurement of supplies and services, and civic contributions.

International trade is big business for Alaska. In 2005, the state's world-wide exports reached \$3.6 billion, a solid 14 percent increase from the previous year, and marking the third consecutive year of double-digit growth. The continuing global boom in commodities, driven by the economic advances of developing countries like China and India, as well as the growing appreciation and demand for the state's wild caught seafood products, promises to keep Alaska's export engine in high gear.

Exports and other international business are relatively more important to Alaska than to other states. While Alaska ranks 40th overall in export volume compared with the other states, on a per capita basis Alaska ranks fourth and when measured as percentage of the Gross State Product

(the sum of all goods and services produced in a state in a given year), Alaska ranks eighth. At current levels, exports of goods and services account for approximately 10 percent of the state's economic activity.

Clearly, exports play an important role in the Alaska economy. Export industries in the state are also responsible for thousands of direct and indirect jobs, often relatively higher paying ones than those tied solely to the domestic economy.

INVEST HERE

But exports tell only a part of Alaska's international story. Investment by the U.S. affiliates of foreign companies in the state's major industries is significant and growing. According to the U.S. Department of Commerce, cumulative

Foreign Direct Investment (FDI) in Alaska totaled \$30 billion in 2002, the latest year that statistics are available. This ranks Alaska 12th among the states as a recipient of FDI. The Commerce Department also reported that employment by foreign companies (U.S. affiliates) operating in Alaska accounted for some 13,000 jobs.

Foreign companies have funded many of the state's largest development projects completely, or in part, via partnerships or joint ventures. These investments are important not only because they generate tax revenues and create jobs for Alaskans, but also because they are a tangible vote of confidence in Alaska as an attractive place to do business. In many cases, companies have a choice of where to direct their investment dollars. When

they invest them in Alaska, they are expressing confidence in our stable business environment, the opportunity for profitable operations, and in the quality of the state's work force.

BP LEADS WAY

The largest contributor of FDI in Alaska is British Petroleum. During the past three decades, BP has invested more than \$20 billion in North Slope oil facilities, the trans-Alaska oil pipeline system and other related energy infrastructure. The company's investment in the state continues to grow: in 2006, BP's projected capital budget was \$600 million. Looking ahead, the company is developing a 50-year plan to expand oil production and to invest in a natural gas project. BP is one of Alaska's largest taxpayers and employs some 1,500 workers across the state.

Japanese and Canadian companies are also significant investors in Alaska. Marubeni Corp. of Japan owns North Pacific Seafoods (formerly known as North Pacific Processors, Inc.). The company has processing operations in Sitka, Kodiak and Bristol Bay and employs approximately 1,000 workers during peak seasons. In 1997, the company received the Governor's Exporter of the Year Award for its pioneering work to produce surimi from pollock harvested in the Gulf of Alaska, and for expanding markets for pink salmon.

Another Japanese investor in the Alaska seafood industry is Maruha. The company owns several operations including Western Alaska Fisheries in Kodiak (220 employees), Westward Seafoods in Dutch Harbor (800 employees), and more than a 50 percent stake in Alyeska Seafoods (750 employees) in Dutch Harbor.

Two other Japanese seafood industry participants with sizable investments in Alaska are Nippon Suisan that owns UniSea in Dutch Harbor (1,200 employees) and Nichiro, the large Japanese seafood and processed foods company, that owns four Peter Pan plants located in King Cove (800 employees), Port Moller (150 employees), Naknek (25 employees) and Dillingham (300 employees).

In addition to having made long-term investment in plants, and employing many Alaskans on a seasonal or year-round basis, these companies also contribute to the local economy by purchasing their fish from Alaskans, making tax payments and through procurement of good and services to support their operations.

MINING, TOO

Alaska's mining industry has attracted significant Canadian investment. Teck Cominco Ltd, a Canadian firm, owns Red Dog Mine, the world's largest producer of zinc concentrate, located north of Kotzebue. To date, the company has invested more than \$700 million in facilities at the mine. Teck Cominco has made important contributions to the region and the local communities, including agreements with NANA Regional Corp, the landholder, establishing committees that review the impacts of mining on traditional hunting and fishing activities. The company employs nearly 500 workers and more than 56 percent of these are NANA shareholders.

Other Alaska major mining operations are foreign owned: Toronto-based Kinross Corp. owns Fort Knox, a gold mine just north of Fairbanks; the Greens Creek Mine outside of Juneau is majority owned (70 percent) by Rio Tinto, a British mining company. Greens Creek is the largest silver mine in the United States. It also produces gold, zinc and lead. The Fort Knox Mine operates year-round and employs 425 workers while the Greens Creek operation has a payroll of 235. Another foreign-owned producing mine is Pogo, a joint venture of Teck Cominco and Sumitomo Metal Mining of Japan. The mine poured its first gold in February this year.

Foreign firms are developing a number of mines not yet producing but under construction. These include the Rock Creek Mine, near Nome, being developed by Nova Gold Resources, a Canadian junior mining company. Ontario-based St. Andrews Gold Field is refurbishing and reopening the Nixon Fork Mine located close to McGrath. Overseas companies with advanced exploration projects underway include Barrick Gold (Donlin Creek) and Northern Dynasty (Pebble). Both of these are Canadian companies.

In addition to investment in mines, foreign firms, mainly Canadian, have spent considerable sums on mineral exploration in the state. Records show that of the \$850 million spent on exploration since 1981, non-U.S. companies carried out the lion's share. In 2004, for example, of the \$70 million spent on exploration, 75 percent of these expenditures are attributed to Canadian firms.

OTHERS INVEST AS WELL

It is not only mining that has brought Canadian investment dollars to Alaska. Calgary-based Agrium Inc. bought the former Unocal fertilizer plant in Nikiski on the Kenai Peninsula in September 2000. The plant, which employs 150, produces urea and ammonia for agricultural and industrial customers. The company ships product to customers in Asian countries as well as the Pacific Northwest, California and Mexico. Earlier this year, the company decided to shut down production until spring of 2007. It is exploring the utilization of coal gasification to provide feedstock for the plant.

The state's tourism industry also has benefited from overseas investments. For example, Prince Hotels Inc. of Japan owns the world-class Alyeska Resort at Girdwood. To date, the company has invested \$180 million into the hotel, tram and other facilities. On a seasonal basis, the resort employs 500 workers and has an annual payroll of approximately \$13 million. Recently, the company announced its intention to sell the hotel. In Anchorage, the London-based Millennium and Copthorne Hotels currently own the Millennium Alaskan Hotel, once owned by a Hong Kong company.

Without question, FDI plays a critical role in the state's economy. In addition to their direct capital investments, these companies also contribute significantly to the communities where they operate through payrolls, taxes, procurement of supplies and services, and civic contributions. Alaska has proven itself to be an attractive destination for investment and this bodes well for the future growth and diversification of the state's economy. □

Greg Wolf is executive director of the World Trade Center Alaska.

Alaska is benefiting from China's economic explosion

By Greg Wolf
For the Journal

It is certainly no secret that China's economic and political ascent is having a significant impact on its neighbors in Asia and, indeed, on the rest of the world. Since the late 1970s, when the liberalization of its economic system got underway, China's economy has expanded rapidly, averaging 9 percent growth annually between 1993 and 2003.

For Alaska, the expansion and modernization of China's economy has translated into significant export opportunities. Following a decade of exports in the \$100 million to \$150 million range, this year shipments from Alaska to China have risen sharply, up 60 percent through the first nine months of the year. For the full year 2004, it is anticipated that the state's exports to China will reach \$250 million. For the first time, China will become the state's third largest trading partner, assuming the position long held by Canada.

What does China import from Alaska? Primarily, seafood to help feed its large and growing population. Through the first seven months of this year, this category accounted for approximately 70 percent of the state's exports to China. Seafood exports to China included cod, crab and salmon. The Chinese are also important buyers of fish waste products (fish meal) that are used in their aquaculture and agricultural industries. In addition, China buys logs from Alaska.

Alaska is fortunate to have "on-the-

ground" representation in this dynamic market. Two years ago, the state of Alaska established a trade representative in Beijing. The representative assists Alaskans

seeking to identify and pursue business opportunities. Also, the Alaska Seafood Marketing Institute has a representative to promote Alaska seafood exports. Their representative is based in Shanghai.

It is important to note that Alaska's business ties with China are not limited to commodity exports. Companies in Alaska also export technical

"know-how" to China, participating in infrastructure development projects and other endeavors related to the service sector. Anchorage-based VECO Corp., for example, has partnered or worked as a subcontractor with some of China's largest energy companies. Their work has included project management and engineering in connection with oil and gas field development. The company's successful involvement with these projects has led to ongoing business.

Alaska also plays a growing role in the transportation of air cargo between China and the United States. Chinese air carriers, China Southern Airlines and Air China, utilize the Ted Stevens Anchorage International Airport as a fuel stop on their cargo flights between China and the United States. Also, two Hong Kong-based cargo carriers, Cathay Pacific and Air Hong Kong, make stops at the Anchorage airport on

their cargo runs to and from the Lower 48. These operations generate fees for the airport, fuel sales, payments to hotels for crew lodging and a variety of other economic benefits for Alaska.

It is not only Chinese carriers that are moving cargo between China and the United States. FedEx, for example, was recently awarded 12 additional weekly frequencies to China, bringing their total to 23 weekly flights, more than any other U.S. carrier. Currently, FedEx offers the only direct flight between the United States and the booming Pearl River Delta area in southern China with a daily flight from to Shenzhen to Anchorage.

Besides their flight operations, FedEx

now uses the hub in Anchorage to sort and manifest all of its North America cargo bound for China. This business is growing rapidly, and in the last quarter FedEx saw its China-bound cargo volume increase by 52 percent. FedEx has been active in China since 1984 and offers guaranteed service to more than 220 cities. The company's China operations are headquartered in Shanghai.

UPS also serves the China market from Anchorage with a daily flight to Shanghai. Like FedEx, UPS was awarded 12 additional frequencies during the latest round of bilateral negotiations, bringing their total now

Continued on Page A10



Wolf

As China grows, so does our opportunity

Continued from Page A4

to 18 weekly frequencies. In China itself, UPS has strengthened its position by purchasing its local partner, Sinotrans. The \$100 million acquisition will give UPS direct control of its international express operation in China's largest cities by the end of next year. The two companies have been partners since 1988 when UPS first entered the China market.

As trade, tourism and other business expand between the United States and China, Alaska's role is poised to grow as well. It is important for Alaska to aggressively pursue trade ties with China.

As the world's largest emerging market, and with gross domestic product growth averaging 9 percent annually during the past 10 years, the opportunity to build significant trade and investment ties is simply too big to ignore.

At World Trade Center Alaska, we are working closely with the state of Alaska and with the U.S. Department of Commerce to help Alaskans establish business relations with companies in China. We also network with World Trade Centers located in China and with Chinese government trade agencies to gather information and garner their assistance.

Looking back, the state's pioneering trade development work with Japan in the '60s and '70s, and later with Korea in the '80s, has paid handsome dividends. Alaska exports to those countries grew dramatically as those countries rose to economic prominence.

With the once slumbering big dragon of Asia now fully awake, the China opportunity can follow the same successful pattern for Alaska. Indeed, it could even surpass our previous successes.

— Greg Wolf is the executive director of the World Trade Center Alaska

World Trade Center Alaska

Is This Your Year?

We Will Point the Way

Perhaps you've made the most of marketing here and the Lower 48. Our specialty at World Trade Center Alaska (WTCAK) is helping businesses find new opportunities overseas: Japan, Korea, China, Canada and Germany, for example. Are you one of those reaping the rewards of more than \$3 billion in annual exports from Alaska?

Our Role and Commitment

For 20 years, membership in WTCAK has paid off for companies pursuing international markets. Our role includes assistance with market development, networking and the hands-on support needed to make international business opportunities a reality.

Our monthly lunch meetings, conferences, international trade missions and annual economic forecasts are further commitments to members. Our job is to make your business growth a priority.

Partners For Global Business

World Trade Center Alaska is part of a strong, 300-member network of centers around the world. Businesses overseas are looking for partners in Alaska.

Your membership in WTCAK gives you a distinct advantage in finding and capitalizing on those opportunities.

**For more information, visit our website:
www.wtcak.org or call 278-7233. Working with
us, you can be local and global!**



twenty-years



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WORLD TRADE CENTER ALASKA

MEMBERSHIP APPLICATION

Thank You for your interest in joining our membership

CEO CLUB MEMBERSHIP - \$ 5,000/yr. Designed for leaders in international business in Alaska who desire to make a significant contribution to Alaska's export efforts. In addition to receiving all the benefits listed below, members at this level will also enjoy several exclusive CEO Club benefits during the year.

CORPORATE - \$ 2,500/yr. Designed for leaders in international business in Alaska. This blends corporate recognition with the customized trade services that further expand the global development and marketing efforts of that business.

COMMERCIAL - \$ 1,500/yr. Designed for big businesses (more than 50 employees) who seek a customized business development approach, as well as the benefit of membership events, programs and information.

BUSINESS - \$ 850/yr. Designed for medium sized businesses (more than 10 employees) who seek a customized business development approach, as well as the benefit of membership events, programs and information.

SMALL BUSINESS - \$ 500/yr. Designed for small sized businesses (less than 10 employees) who seek a customized business development approach, as well as the benefit of membership events, programs and information.

INTRODUCTORY - \$ 250 for the first year only. Designed for first time members or companies who have not been a member for at least two years.

CONSULAR - \$ 100/yr.

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3 rd Contact Name	_____	Title	_____
Telephone	_____	Email	_____
Applicants Signature	_____	Date	_____

Please make payments to: World Trade Center Alaska
431 West 7th Avenue, Suite 108, Anchorage, Alaska 99501 USA
Telephone 907.278.7233 Fax 907.278.2982 Email info@wtcak.org Website www.wtcak.org

Exports on the Rise:

Countries purchase everything from zinc to fish.

By GREG WOLF

Led by a continuing surge in commodity sales to China, Alaska's worldwide exports are up just more than 5 percent compared with the same period last year. Looking at January through August, the latest period for which statistics are available, exports from Alaska to markets overseas have grown by 5.2 percent in 2006, reaching \$2.5 billion. If this pace continues during the remainder of the year, we anticipate that exports will total approximately \$3.8 billion for 2006 versus \$3.6 billion in 2005.

China continues to be the big story for Alaska's exports. So far this year, Alaska shipments to China have grown by 44 percent to \$358 million, driven primarily by the growth in seafood and fishmeal sales to that country. China is the fastest-growing major market for Alaska exports. Rising rapidly from the \$100 million level in 2001 to \$337 million last year, we are projecting that the state's exports to China will reach \$400 million by the end of 2006. The country now ranks as Alaska's third-largest trading partner, the position held previously, for many years, by Canada.

Japan has been and remains the state's largest export market. So far this year, at \$753 million, exports to Japan are down just more than 9 percent compared with the same period last year. Many analysts are predicting an upturn in the Japanese economy, however, and, if this unfolds, Alaska may benefit from the increased demand.

Shipments to Korea, the state's second-largest export customer, are essentially flat

(up less than 1 percent) over the same time period last year. Through August, sales to Korea total \$477 million.

Rounding out the top five exports markets are Canada and Germany. A new entrant into Alaska's top 10 markets is Finland. Ranked 10th, the country is a destination for zinc exports from Alaska.

Seafood has long been the state's largest export commodity and this remains the case in 2006. So far, through August, seafood exports total \$1.4 billion, representing 56 percent of the state's totals exports. Minerals, mainly zinc and lead, are the second-largest export category. Through August, mineral exports reached \$456 million, up an impressive 60 percent over the same period last year.

Energy is the state's third-largest export commodity. Consisting primarily of liquid natural gas (LNG), refined fuel products and coal, exports in this category amounted to approximately \$180 million in the first eight months of the year. Fertilizers, precious metals and forest products are the other major export commodities. Among these three categories, precious metals exports are up 30 percent over last year, reflecting a combination of higher prices and expanded output.

Looking forward, 2007 should be a strong year for Alaska's export industries as sustained higher prices and growing demand for natural resources translate into robust sales.

Greg Wolf is executive director of the World Trade Center Alaska.

WORLD TRADE
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ALASKA



CHINA CALLING



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

20 November 2006

Alaska's "China Era" Gathers Steam in 2006

Dear Members and Friends of the Center:

In case you missed the World Trade Center Alaska (WTCAK) 2nd Alaska-China Business Conference conducted on 3 November, I want to provide you with the latest information about Alaska's rapidly growing trade relations with China—Asia's big dragon. China is Alaska's fastest growing major export market and last year, for the first time in state history, China became our third largest trading partner, now trailing only Japan and Korea.

The Dragon Roars

In the attached copy of *Passport to Profit*, our periodic special report, we outline the impressive expansion of Alaskan exports to China. For the full year 2006, we are projecting that the state's exports to the country will reach \$400 million—up from just \$102 million five years ago. We also suggest, in the not too distant future, it is likely that Chinese firms will invest in Alaskan development projects as they seek the natural resources and foodstuffs necessary to support their growing and modernizing economy as well as to meet the rising expectations of a growing middle class. Please click here to view "The Dragon Roars" edition of *Passport to Profit*.

I hope you find this report informative and useful. This, and previous editions of *Passport to Profit*, can be found at our website: www.wtcak.org

I encourage you to bookmark our site and refer back to it frequently for updates on international trade, other business topics and for a listing of upcoming events.

2007 Statewide Economic Forecast Luncheon

You will want to mark your calendar now for the upcoming 2007 Statewide Economic Forecast Luncheon taking place on Wednesday, 17 January 2007 in the Howard Rock Ballroom of the Sheraton Anchorage Hotel. Wells Fargo Bank sponsors this unique and timely event. As in previous years, the luncheon is expected to sell-out, so please register early. We begin accepting reservations for individual seats and sponsored tables (10 seats) on Monday, 4 December.

Thank you, as always, for your support of the Center and for your participation in our programs and events. Working together, we can build a strong, diversified Alaskan economy.

Best Regards,

Greg Wolf
Executive Director



24 November 2006

Which Countries Will be the Next Big Markets for Alaska?

Dear Members and Friends of the Center:

Is it just me or has this year raced by? It's been a very busy year here at World Trade Center Alaska (WTCAL) and there's a lot more to come in 2007.

As the year comes to a close, I want to discuss one of WTCAL's trade development programs: **New Markets-New Customers**. This program got under way more than a year ago and represents the segment of our work devoted to seeking out new markets overseas for Alaskan exports and other business endeavors. It's an important program because in order for Alaska's international trade to grow we need to both expand sales to existing markets and develop new markets with high growth potential.

Historically, Alaska has benefited greatly by getting into emerging markets early, building trade relationships, and then reaping the dividends as these economies rise to prominence. Alaska formally entered the Japanese market in 1965. In that year, Alaska's export to Japan totaled \$30 million. Today, Alaska exports exceed more than \$1 billion to our number one trading partner. The story is true for Korea (our #2 partner) and, most recently, jumping early into China (our fastest growing major market) has also paid off in a big way.

So, where are the next big opportunities? Seeking an answer to that question, in a nutshell, is the driving force behind the **New Markets-New Customers** program at WTCAL. During the past year, we've begun our exploration of India and Singapore. We're also looking at Vietnam-- which last week joined the World Trade Organization (WTO) and whose current economic growth is second only to China--and other nations where Alaska's export characteristics match up with the import needs of these countries.

This is an exciting time to be involved with WTCAL. Stay tuned in 2007 for some important opportunities to position your company to benefit from the next major markets for Alaska. Be sure to make frequent visits to www.wtcak.org for updates, event announcements and special reports.

Best Regards,

Greg Wolf
Executive Director



WORLD TRADE
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Passport to Profit

Special Report No. 5

www.wtcak.org

November 2006

The Dragon Roars

Alaska's "China Era" Gathers Steam in 2006

By Greg Wolf

In my 18 years as an international trade and economic development professional in Alaska, we have not witnessed such a dramatic surge in exports to a major market as Alaska has experienced in the past five years with China.

From \$102 million in 2001 to \$337 million in 2005, China's growth as an export destination for Alaska has been unprecedented. In fact, last year, China even surpassed Canada, for many decades the state's third largest trading partner, to now trail only behind Japan and Korea among our Big Three export markets (see chart).

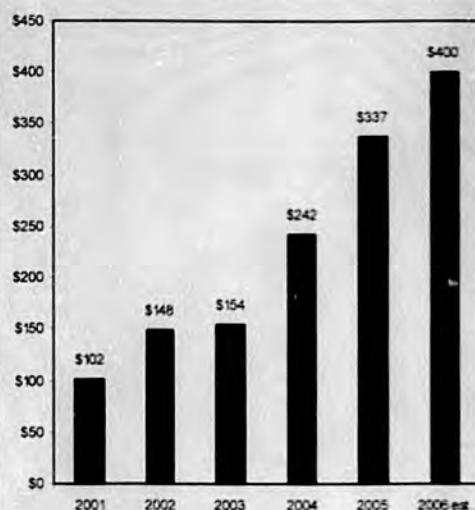
And, so far this year, between January and August (the latest period for which statistics are available), Alaska's exports to China continue to rise rapidly, up 44% over the same period last year. For the full year 2006, we project Alaska's exports to China to reach approximately \$400 million. Seafood is the primary export commodity, followed by fishmeal. Other important exports include minerals, forest products (mainly whole logs) and fertilizers (see chart). In addition to commodity exports, there are a number of Alaskan service-sector firms that have successfully secured business in China. These include oil and gas field service companies like VECO and Udelhoven.

World Trade Center Alaska (WTCAK) has made China a major focus of its efforts. Three years ago, we launched the "China Calling" program as an ongoing series of events and activities designed to give Alaskans the information, contacts and "hands on" assistance necessary to explore and pursue business opportunities in this exciting growth market. To date, the program has included a number of major events, such as the 1st and 2nd Annual Alaska-China Business Conferences, and a trade mission to Shanghai and Beijing. We have also conducted a number of presentations and seminars on how to do business in China, highlighting both the opportunities and challenges.

While most of the attention has focused on Alaska's growing trade relationship with China, we can also anticipate interest by Chinese companies to invest in Alaskan energy and minerals development projects. When one considers the amount of Chinese investment already occurring in places like Canada, Australia, South America, Africa and other resource-rich areas, it is only a matter of time before the hungry dragon casts its gaze on the attractive, yet largely untapped, opportunities in Alaska. In the not too distant future, I expect we will see Chinese firms joining the ranks of the British, Canadian and Japanese companies that have already made major investments in Alaska to develop natural resources and to build tourism infrastructure.

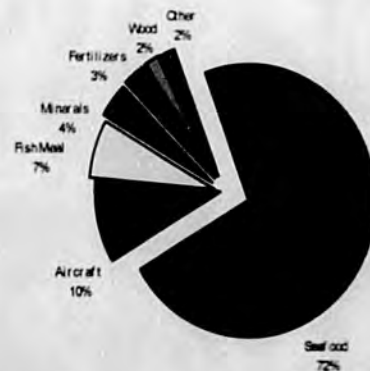
Alaska is well positioned to benefit from China's rise to economic prominence. We have the natural resources and foodstuffs they need to meet the requirements of an expanding and modernizing economy and to meet the rising expectations of a burgeoning consumer class. WTCAK is actively involved with its members and community partners to strengthen commercial ties between Alaska and China as the "China Era" proceeds.

Alaska's Exports To China
Yearly Totals - In Millions



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

Alaska's Exports To China for
Year 2005 by Commodity





Passport to Profit

WORLD TRADE
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Special Report No. 4

www.wtcak.org

July 2006

The Lion at the Gate

Trade mission to explore new business opportunities

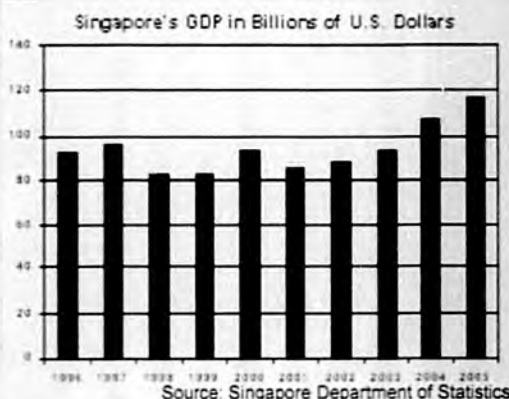
By Zoe Durner-Feiler and Greg Wolf

With China and India's dramatic economic ascent capturing much of the world's attention, other nations in the region are often overlooked. But while "Chindia" is still on the road to modernization, Singapore has achieved it, and is flourishing. As one of the most prosperous of the "Asian Tiger" countries, Singapore has a GDP per capita the equal of many countries in Western Europe. Last year, Singapore's GDP per capita measured at \$28,100, just \$3,400 less than Japan. Singapore has a strong economy that has weathered the Asian Economic Crisis (1997-1998) and SARS (2003) with only slight, temporary drops in its annual GDP. Singapore's economy is projected to grow another 4-6% this year, after a strong first quarter where growth was up 10%.

"Singapore" means "Lion City" in Malay, and though it is a small island country with a population of about 4.5 million, Singapore is a lion in terms of trade. As a gateway to Southeast Asia and China, Singapore has been an important strategic trading point since it was founded. Modern Singapore is considered to have been founded by Sir Thomas Raffles when he arrived at the behest of the British East India Company in 1819. It was a bold move, creating a British entrepot trade outpost in the middle of Dutch territory, but it was worth it, profiting both Singapore and Great Britain and setting Singapore on the road to becoming one of the world's largest trade hubs. Today, the Port of Singapore is one of the busiest in the world, and has been frequently voted The World's Busiest Port in terms of tonnage handled, most recently winning the title for 2004 and 2005. In addition, its airport was recently ranked the fourth most vital international air travel hub in the world.



The statue of the Mer-lion before the towering buildings of central Singapore. The thriving nation of 4.5 million people is a gateway to China and S.E. Asia.



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FOR YOUR BUSINESS**



World Trade Center Alaska will lead a Trade Mission to India and Singapore, September 23 - October 5, 2006

If you are interested in receiving details about the trade mission, please call us at (907) 278-7233 or send your name, address, phone number and e-mail address to: info@wtcak.org or fax us at (907) 278-2982



In 2006, from January through April, Singapore ranked fifteenth among Alaska's overseas markets. Exports to the city-state totaled \$7.1 million during this period. Refined fuel products accounted for about 90% of these exports. Considering that Singapore imports more than \$2 billion worth of fish and meat each year and that it is an island country which needs to import practically all of its natural resource requirements, opportunities to expand Alaska's trade relations with the country are abundant.

From September 23 to October 5th, World Trade Center Alaska will be leading the first Alaskan trade mission to India and Singapore. Mission participants will meet with government officials in both India and Singapore, U.S. government officials specializing in trade, and private business executives. Participants will learn about potential business opportunities, gain a greater understanding of the economic and business climates of the two countries, and get some valuable advice on how to navigate those markets. For more information about the trade mission, please contact us at 278-7233 or visit our website at www.wtcak.org.



Passport to Profit

WORLD TRADE
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Special Report No. 3

www.wtcak.org

June 2006

The "Chindia" Phenomenon

Exploring new markets for Alaskan exports

By Zoe Durner-Feiler and Greg Wolf

For the past decade, the world has watched in awe as the two most populous countries in the world have started down a road toward becoming two of the most economically powerful nations in the world. India and China, the only two countries with populations exceeding 1 billion, are also countries with two of the highest average annual GDP growth rates, at 6% and 8% respectively over the last 10 years. Though they currently represent only 6% of the world's GDP combined, by 2050, India and China are expected to account for almost half of the global economy, according to BusinessWeek.

But China and India, for all that their rapid progress seems similar, follow very different paths. China's growth is cultivated mainly by foreign direct investment as it works toward becoming a manufacturing powerhouse, while India is mostly consumption driven as its Information Technology and services industries flourish. China has the hardware, India, the software. They complement each other even as they compete for resources. From this phenomenon came the word "Chindia," coined by Indian politician Jairam Ramesh. It has been used to describe the amazing economic progress of these two countries.

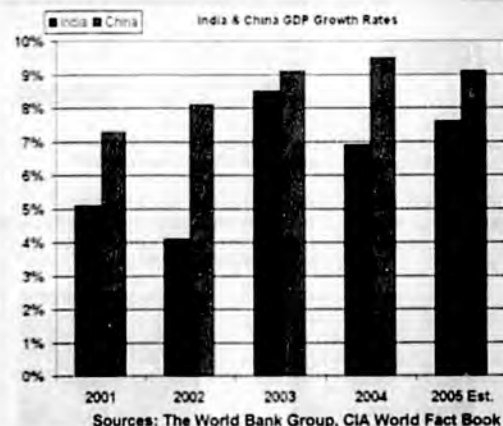
According to U.S. News & World Report, China boasts over 100 million people in its middle class, India over 60 million. Each year both countries graduate about 2.5 million students from college to join the ranks. The new generation of young Chinese has known nothing but economic prosperity and political stability. So, for the first time in China, people are spending more of their excess than past generations, rather than saving it all. And India isn't far behind. For the past decade, India's consumption has been increasing at an average rate of 5.3% a year and China at 6.4% and rising.

The rapid development of India and China has been compared to the economic miracles of Post-War Japan and South Korea. However, neither of those countries had the population that India and China have, and thus it is predicted that if Chindia continues to prosper, it may be prime to dominate the global market in the mid twenty-first century. Looking at Alaska's trade history with Japan and Korea, Alaska's exports to those countries grew dramatically as they rose to economic prominence. Alaska is well situated to benefit from trade with India and China, and with Chindia's progress mimicking the historical path of Alaska's top two trading partners, trade relations with Chindia may very well surpass Alaska's previous successes.



Above: Shoppers crowd onto Nanjing Road, Shanghai. Chinese consumption is expected to continue to increase.

Below: A department store in Mumbai, India. More Indians are visiting stores like this as the number of those with discretionary purchasing power rises.



The trade relationship between China and Alaska has already borne fruit in response to China's dramatic economic growth. Since 2001, Alaskan exports to China have grown by more than 200%. Last year, Alaska's exports to China reached a record \$337 million, a rise of 40% over the previous year. This increase enabled China to displace Canada from its long held position as the state's third largest export market.

As China's demand for natural resources continues, we expect Alaska's exports to the country to continue to expand at a healthy pace. So far this year, through April, exports from Alaska to China are up more than 16% compared with the same time period a year ago. World Trade Center Alaska (WTCAK) has made China a major focus of our efforts. Through our "China Calling" program, we have conducted a trade mission to Shanghai and Beijing and organized the 1st Alaska-China Business Conference, among other China-related activities and programs.

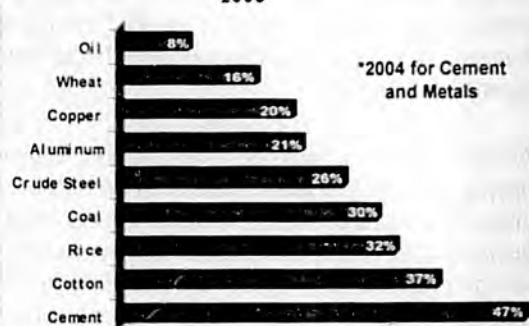
India, on the other hand, is not currently a significant export market for Alaska. As of April this year, India ranked 44th among Alaska's overseas trade partners, with exports last year totaling less than \$100,000. But historically over the past decade, trade with India has been more significant, primarily in the area of forest products. It is unlikely that India is familiar with what Alaska has to offer, and equally true that Alaskans are unaware of the opportunities provided by India's growing economy.

This situation, however, is about to change. In May, WTCAK conducted the Alaska-India/Singapore Business Conference and, in September, WTCAK will lead the first Alaska trade mission to India, with an intermediary stop in Singapore. Mission participants will get a "first-hand" look at these two fast growing markets and will make valuable contacts as they meet with U.S. and host country government trade officials and private sector executives. Participants will learn about potential business opportunities, gain a better understanding of the economies and business climates in these countries and get advice on how to avoid the pitfalls. The conference and mission are part of WTCAK's "New Markets-New Customers" program designed to help Alaskan companies identify and pursue opportunities in emerging markets for Alaskan exports. For more information about the trade mission, or this program, please contact us at 278-7233 or visit our web site: www.wtcak.org



China and India's economic progress has captured the headlines of several major magazines.

China's Estimated Share of Global Consumption in 2005*



Source: BusinessWeek (U.S. Geological Survey, Energy Dept., Agriculture Dept.)



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World Trade Center Alaska will lead a Trade Mission to India and Singapore, September 23 - October 5, 2006

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What Others Say...

"China and India are setting the stage for the greatest period of discovery, invention, and technological change the world has ever known."

—Jeremy Siegel, Ph.D., Wharton School

"The Indian market, and its one billion plus population, presents lucrative and diverse opportunities for U.S. exporters with the right products, services, and commitment." — U.S. Commercial Service

"The likely emergence of China and India, as well as others, as new major global players will transform the geopolitical landscape."

—National Intelligence Council, 2020 Project



WORLD TRADE
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Passport to Profit

Special Report No. 2

www.wtcak.org

March 2006

Passage to India

Trade Mission to Explore New Business Opportunities for Alaska
By Greg Wolf

While China's rapid rise to economic prominence has captured the lion's share of the headlines, **India, the world's largest democracy, has been on a fast track to expand and modernize its own economy.** For America, India is a major trading partner and a strategic ally. President Bush's visit to India earlier this month highlighted the importance of this relationship.

Like China, India has a growing population that already exceeds 1 billion people. In order to raise the standard of living of its citizens, India needs to grow its economy through industrialization and modernization. It is making steady and impressive progress: annual growth of its Gross Domestic Product (GDP) has averaged approximately 6% over the past 10 years. Analysts expect this positive trend to continue in the foreseeable future and are forecasting GDP growth of 7 to 8% for 2006.

At present, India is not a significant export market for Alaska. In 2005, India ranked 60th among the state's worldwide trading partners. Last year, exports from Alaska to India totaled less than \$100,000. But looking back over the past decade, at various times, India has been a more substantial trade partner. For example, in 1997, India purchased nearly \$5 million dollars of forest products and, as recently as 2002, the country purchased forest products totaling nearly \$1 million. Outside of this category, exports to India have been minor. It is doubtful that Indian buyers are familiar with what Alaska has to offer and equally true that

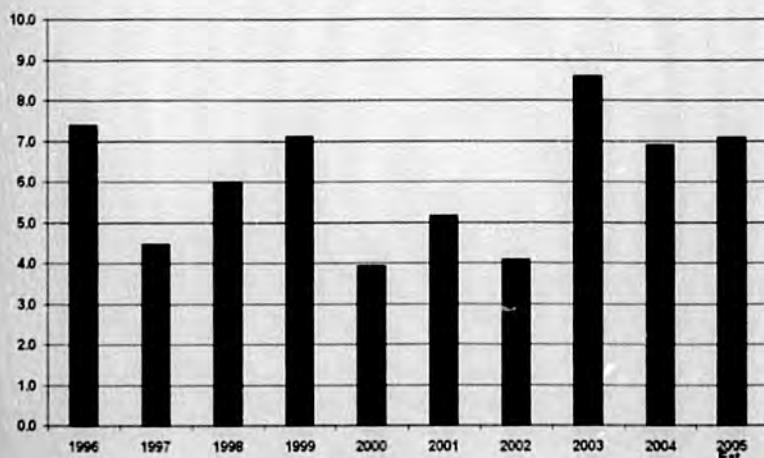


India's famous Taj Mahal is one of the 'seven wonders of the world' and a major tourist attraction.

"India's natural advantages make it poised to take a leading role in the global economy. In fact, India has the potential to be an economic powerhouse."
U.S. Secretary of the Treasury, John Snow. Nov. 2005-CNN Money report.

"After years of grinding poverty and stagnation, India has taken off in what to many seems like a miracle...By 2010 India may be the largest English-speaking country in the world, with more English speakers than the United States."-From Three Billion New Capitalists-The Great Shift of Wealth and Power to the East by Clyde Prestowitz, former Counselor to the Secretary of Commerce during the Reagan Administration.

India's GDP Growth Rate



Sources: The World Bank Group, CIA World Fact Book

Alaskans are unfamiliar with potential trade opportunities with this developing economic powerhouse.

This situation, however, is about to change. In a few months, World Trade Center Alaska (WTCAL) will be leading the first Alaskan trade mission to India. The mission will include an intermediate stop in **Singapore.** Mission participants will meet with Indian and Singaporean government leaders, U.S. government officials involved with trade, and private sector executives. Participants will learn about potential business opportunities, gain a better understanding of the economies and business climate in these countries, and make some valuable contacts. To find out more about this trade mission, please contact WTCAL at 278-7233.



WORLD TRADE
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Passport to Profit

Special Report No. 1

www.wtcak.org

February 2006

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.

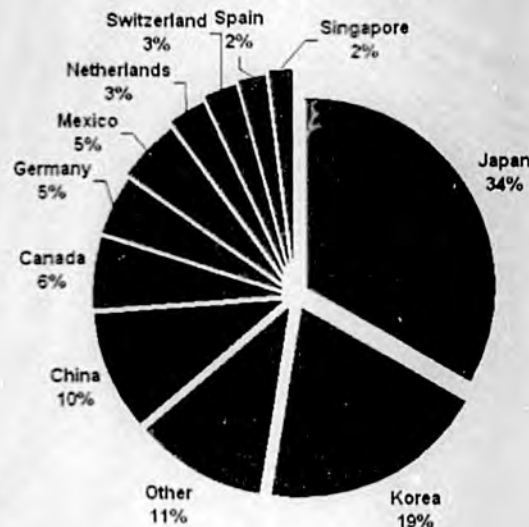
Seafood is the primary export commodity from Alaska to China, accounting for 71% of the state's total exports to the country. The second-largest export is seafood for non-human consumption, such as fishmeal. The three other significant export categories are minerals, fertilizers and forest products (primarily 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 (WTCAK) has made China a major focus of its efforts. Through our "China Calling" program, WTCAK 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, WTCAK 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.

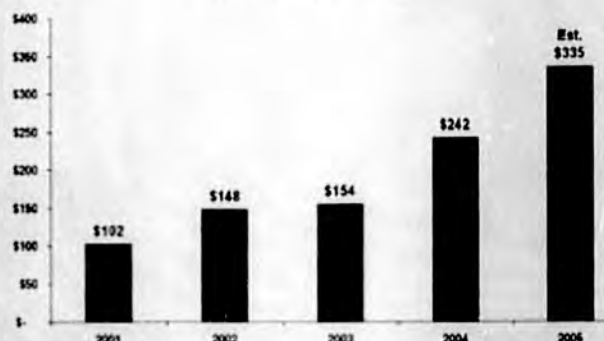
Looking back, Alaska's pioneering trade development in the '60's and '70's in Japan, and later with Korea in the '80's and '90's, has paid handsome dividends. Alaska's exports to those countries grew dramatically as those countries rose to economic prominence. Now comes China, Asia's big dragon. Our 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

Alaska's Role in the Global Marketplace

The Importance of International Trade
to Alaska's Economy

By: Greg Wolf, Executive Director,
World Trade Center Alaska

Date: February 13, 2007



International Trade is Big Business for Alaska

- Annual Worldwide Exports total \$4 billion

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



Why Trade Matters

- Substantial component of Alaska's economy. Exports account for approximately 10% of the GSP. Export total does not include the export of services from Alaska—such as construction, engineering and oil and gas services.
- Exports bring \$4 billion of new money into our economy. New money, not recycled money.
- Export jobs are high paying jobs. Export-related jobs typically pay 13 to 16% more than jobs tied solely to domestic economy.
- Exports allow companies to become larger through expanded markets and customer base.
- For some Alaska companies, their best bet for growth is overseas markets.



How Does Alaska Rank?

- Alaska is one of the most trade-oriented states in America:
- In absolute terms, at \$3.6 billion (2005 total), Alaska ranks 40th among all states
- On a per-capita basis, Alaska ranks 4th
- Exports as a percentage of Gross State Product, Alaska ranks 8th in the nation
- Foreign direct investment: Alaska ranks 12th in attracting overseas investment



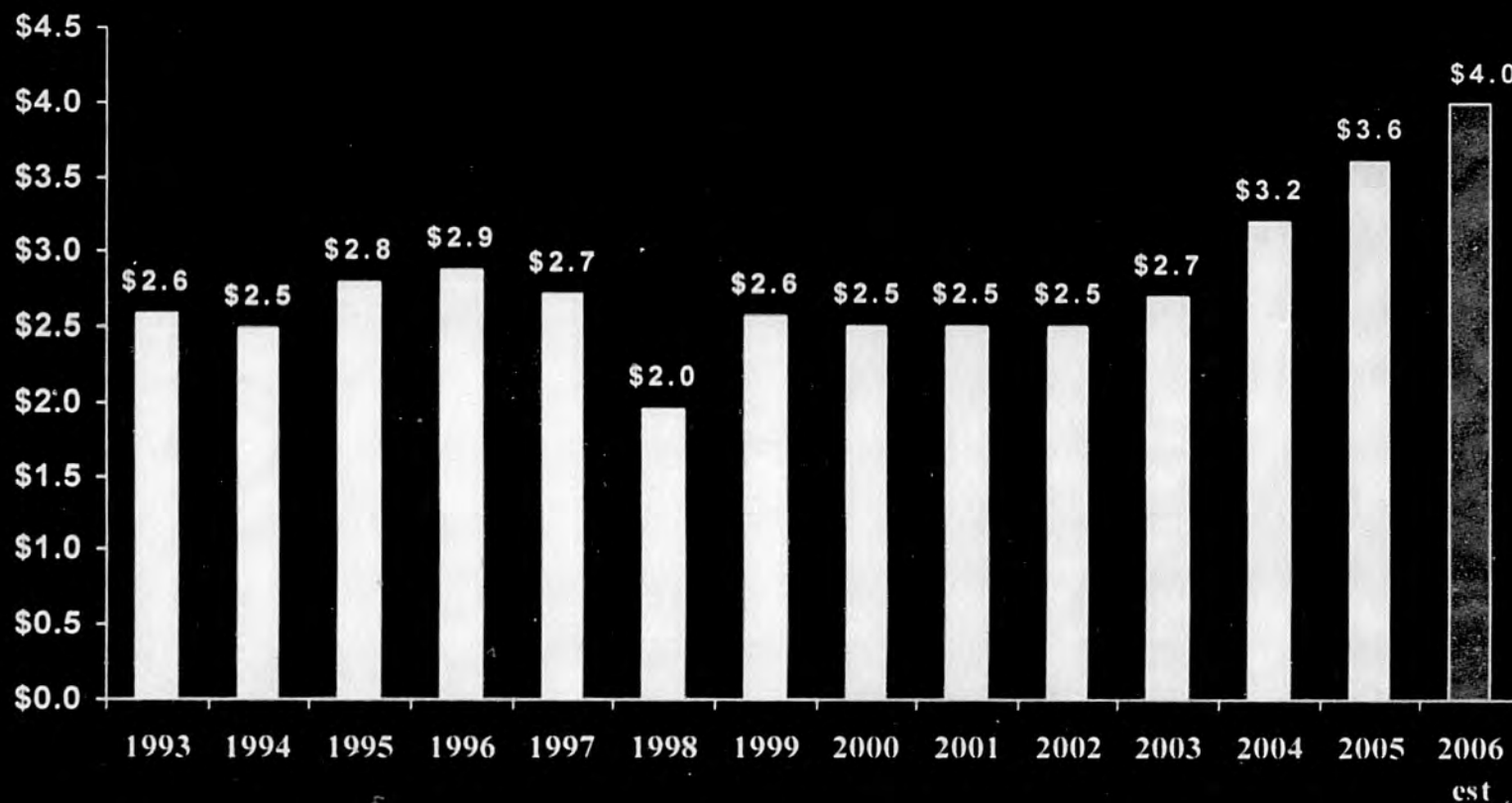
2006 Trade Highlights

- Exports to reach \$4 billion-up 12%
- 4th consecutive year of double-digit growth
- Mineral exports doubled
- Increase driven primarily by higher prices (zinc price up 100% '05-'06)
- Exports to China increased by 41%
- Korean exports reach all-time high



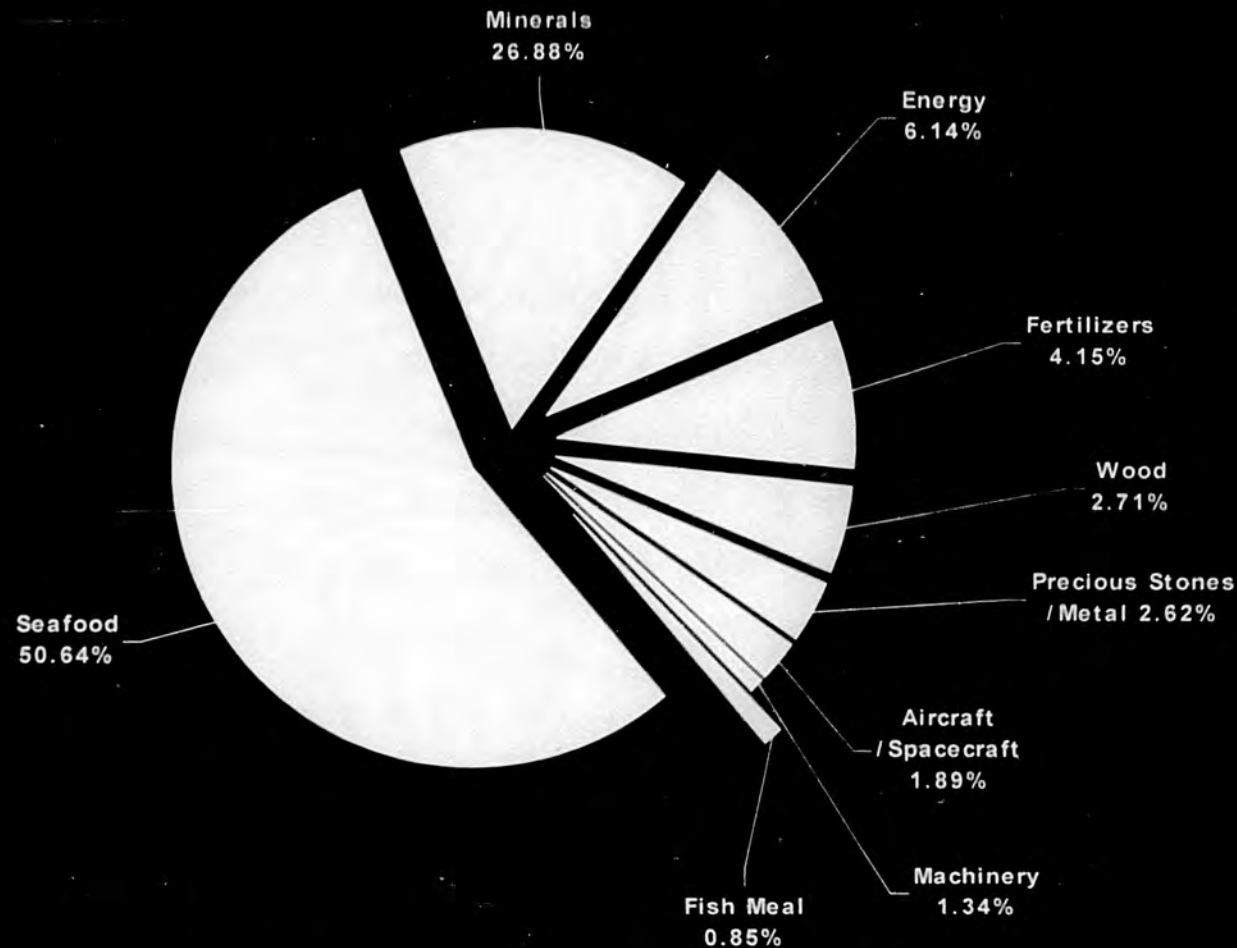
Alaska Worldwide Exports

In Billions



Alaska's Top Export Products 2006

Eleven month January - November



Source : U S Census Bureau, State of Origin data



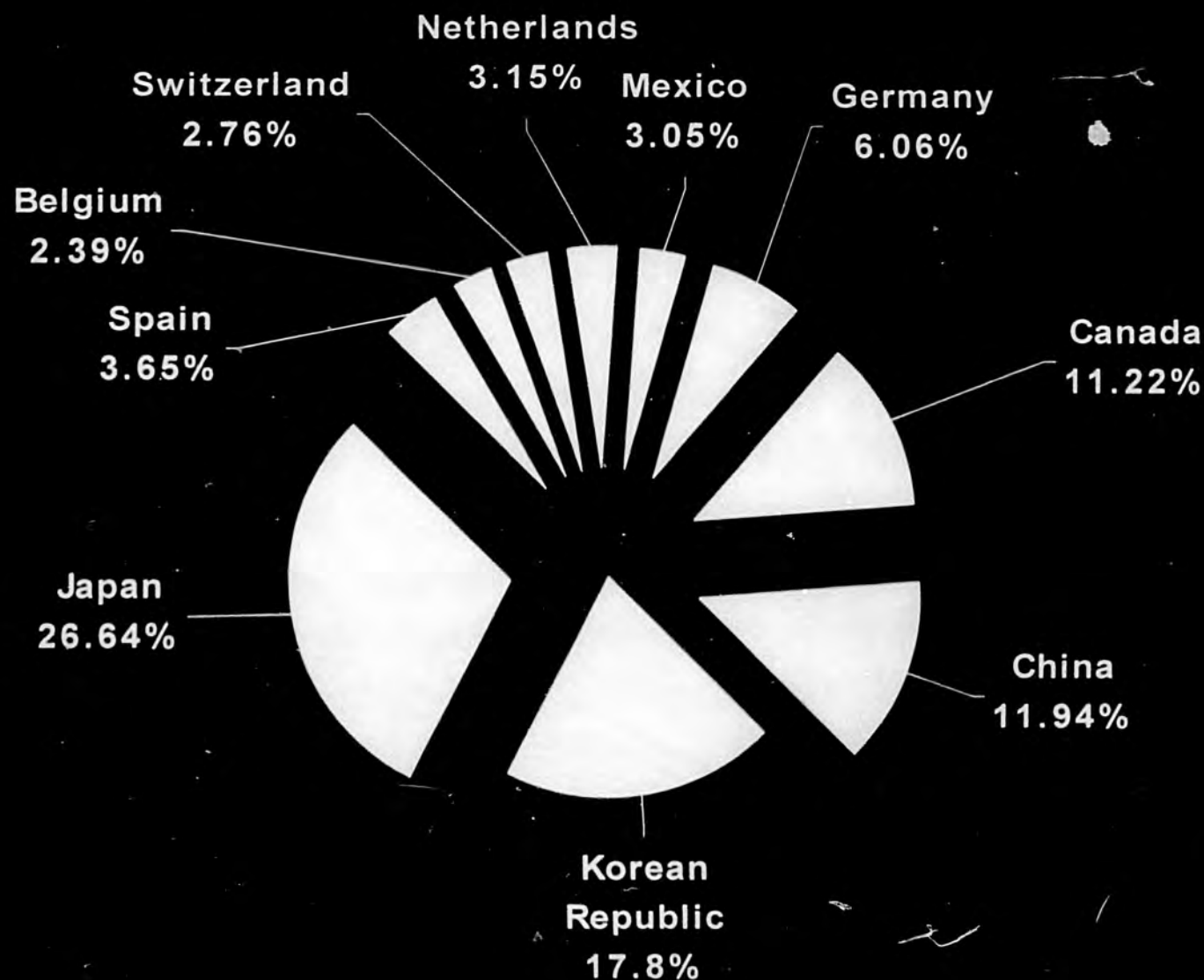
Alaska's Top Export Products 2006

Eleven month January - November
In millions \$



Alaska's Top Ten Export Markets 2006

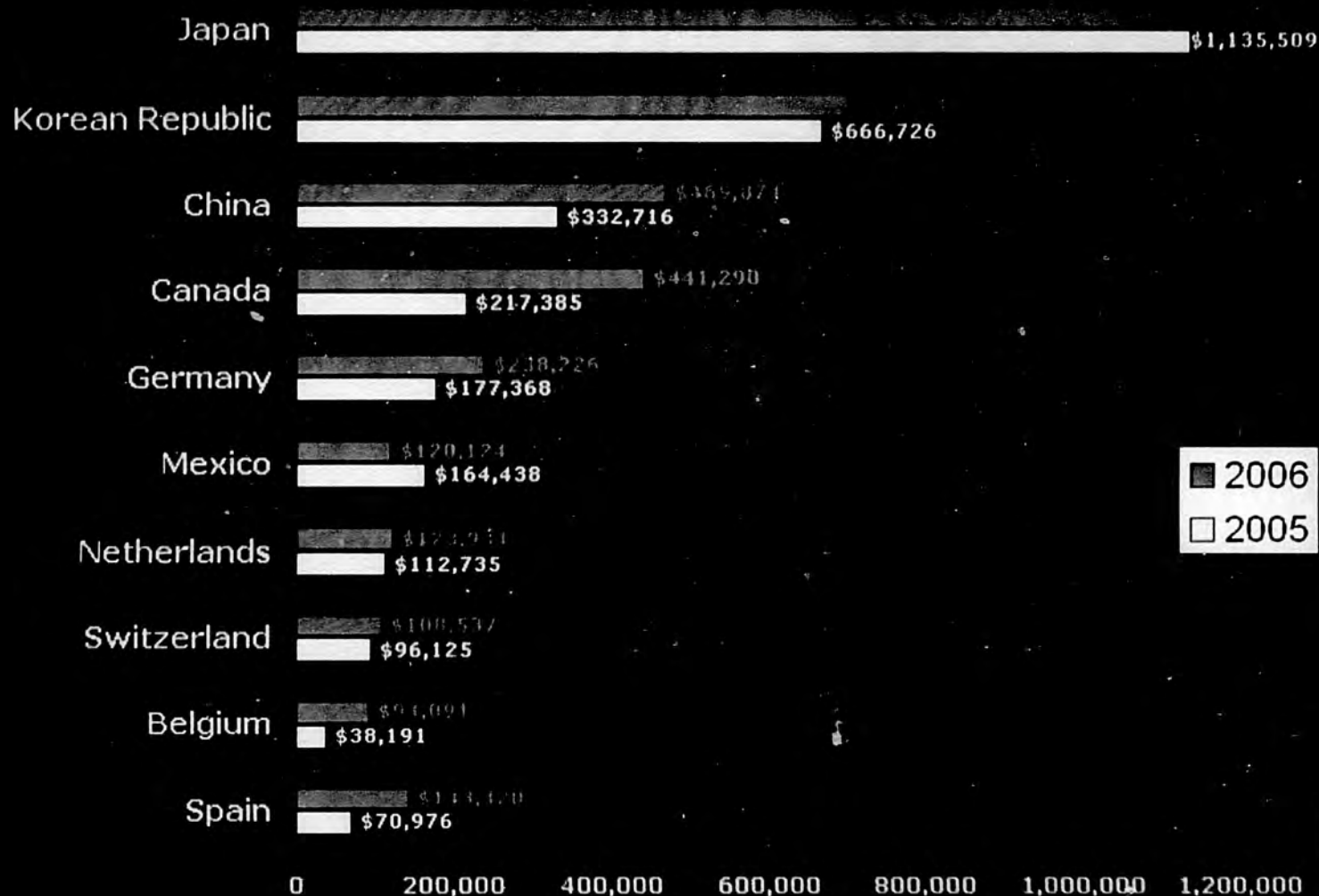
Eleven month January - November



Alaska's Top Ten Export Markets 2006

Eleven month January - November

In millions



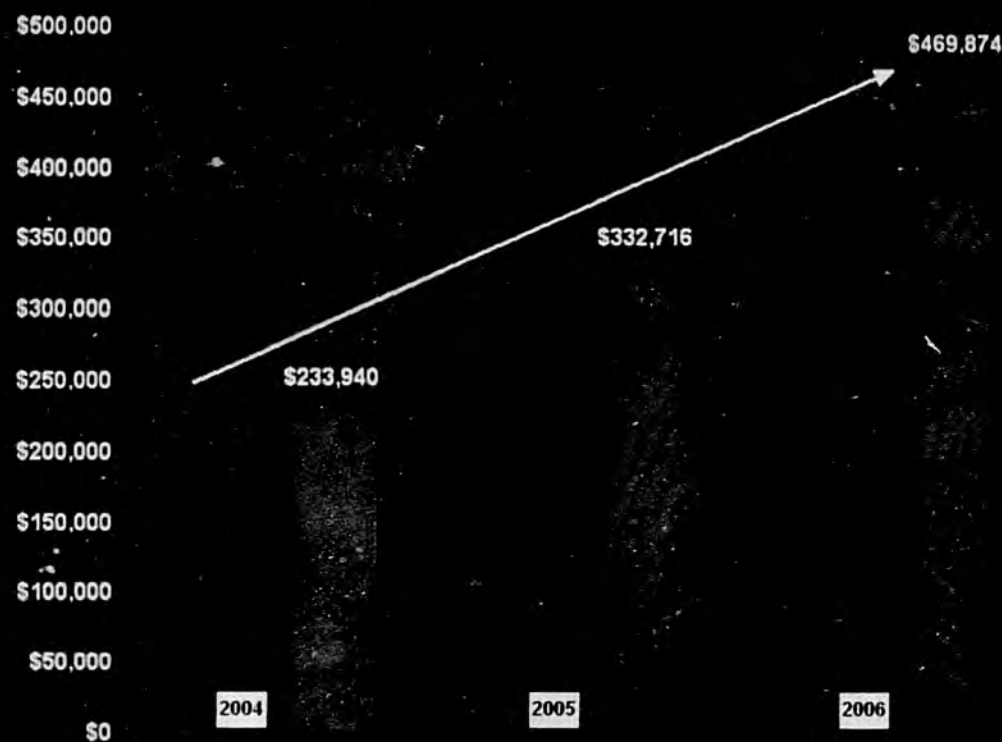
Alaska's Total Exports to China

2004-2006 Comparison

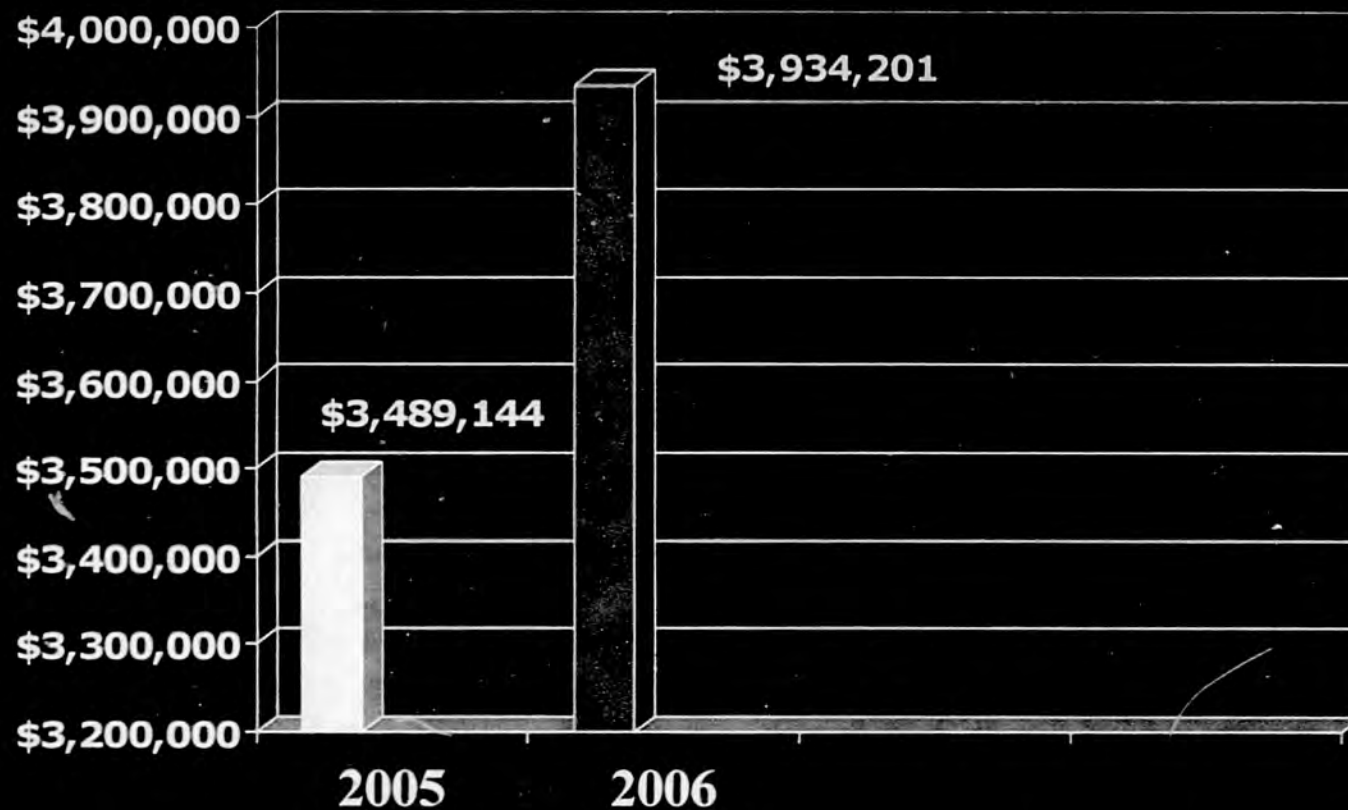
(2006 - Eleven month January - November)



In millions



Alaska Export Update: Jan – Nov 2006 up 12.76%



Highlights: China (up 41%), Spain (up 102% up), Canada (up 103%).



2007 Trade Outlook

- Results will depend heavily on commodity prices-minerals and metals
- Expect continuing growth from China through 2008 (Olympics)
- Watch the dollar-weaker dollar makes U.S. exports relatively cheaper
- Slow or no export growth likely in '07
- 2007 Forecast: \$4 billion (+) or (-)



About World Trade Center Alaska

- Established 1987
- Private, non-profit organization
- 18-member Board of Directors
- Statewide mission, membership, directors
- Mission is to assist Alaskans to compete successfully for trade and investment in the global market place
- Small staff – Big Agenda



Core functions

Trade capacity – help Alaska companies to become export ready through information, seminars and other technical assistance

Trade Development – research new markets and identify trade opportunities for Alaska companies

Trade Service – 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 services in more than 300 cities around the world



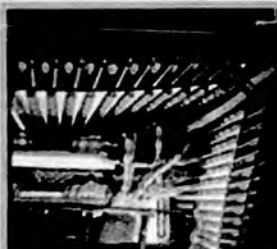
Trade Development Programs



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.



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.



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.



New Markets

New Customers



WORLD TRADE
CENTER



ALASKA

Public-Private Partnership



Serving Alaska's Business Community Since 1987



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