

02/12/13  
Presenta-  
tion:  
World  
Trade  
Center  
Alaska

<TARGET><BILL></BILL><SUBJECT>02-12-13 Presentation World  
Trade Center Alaska</SUBJECT><COMM>SWTR28</COMM></TARGET>

ALASKA STATE LEGISLATURE  
JOINT MEETING  
SENATE SPECIAL COMMITTEE ON WORLD TRADE  
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND  
TOURISM

February 12, 2013

11:18 a.m.

**MEMBERS PRESENT**

SENATE SPECIAL COMMITTEE ON WORLD TRADE

Senator Gary Stevens, Chair  
Senator Lesil McGuire, Vice Chair  
Senator Peter Micciche  
Senator Berta Gardner

HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND  
TOURISM

Representative Shelley Hughes, Chair  
Representative Pete Higgins  
Representative Harriet Drummond  
Representative Lynn Gattis  
Representative Geran Tarr

**MEMBERS ABSENT**

SENATE SPECIAL COMMITTEE ON WORLD TRADE

Senator Charlie Huggins  
Senator Mike Dunleavy  
Senator Lyman Hoffman

HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND  
TOURISM

Representative Bob Herron  
Representative Craig Johnson  
Representative Kurt Olson  
Representative Lance Pruitt

**COMMITTEE CALENDAR**

PRESENTATION: WORLD TRADE CENTER ALASKA

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

GREG WOLF, Executive Director  
World Trade Center Alaska (WTCAK)  
Anchorage, AK

**POSITION STATEMENT:** Delivered a PowerPoint presentation entitled, "A World of Opportunity: An Update on Alaska's International Trade. Trends and Outlook Moving Forward," dated 2/12/13.

**ACTION NARRATIVE**

11:18:51 AM

**CHAIR GARY STEVENS** called the joint meeting of the Senate Special Committee on World Trade and the House Special Committee on Economic Development, Trade and Tourism to order at 11:18 a.m. Present at the call to order were Senators Micciche, Gardner, McGuire, and Chair Stevens; and Representatives Higgins, Drummond and Chair Hughes.

**Presentation: International Trade Update, World Trade Center  
Alaska**

11:19:35 AM

**CHAIR STEVENS** announced the business before the committees would be a presentation from World Trade Center Alaska.

11:19:42 AM

**GREG WOLF**, Executive Director, World Trade Center Alaska (WTCAK), introduced himself and informed the committees that this was the fifteenth consecutive year that he had the privilege of briefing the legislature on international trade with Alaska.

He explained that the World Trade Center was established in 1987 by the University of Alaska. In 1998, it transitioned to a private, non-profit corporation that is governed by an 18-member board of directors. Since 1998, the Trade Center has had a partnership relationship with the State of Alaska; since 2008, it has represented the U.S. Department of Commerce in Alaska by

# A World of Opportunity:

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

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

12 February 2013

Presented at the Joint Meeting of

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





WORLD TRADE CENTER

**ALASKA**

# History of the Trade Center

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

# A World of Opportunity:

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

I The Numbers

II The Trends

III The Outlook

IV The Trade Center

# International Trade is Big Business for Alaska

- Overseas Exports estimated \$4.5 billion in 2012
- This represents nearly 10% of the Alaska's Gross State Product (GSP)
- New Money into Economy
- Thousands of Direct and Indirect Jobs
- Results in stronger, more diversified economy
- How We Rank?
  - Alaska ranks 40<sup>th</sup> among all states by the value of exports
  - As a percent of GSP, Alaska ranks 14<sup>th</sup>
  - On a per capita basis, Alaska ranks 4<sup>th</sup>

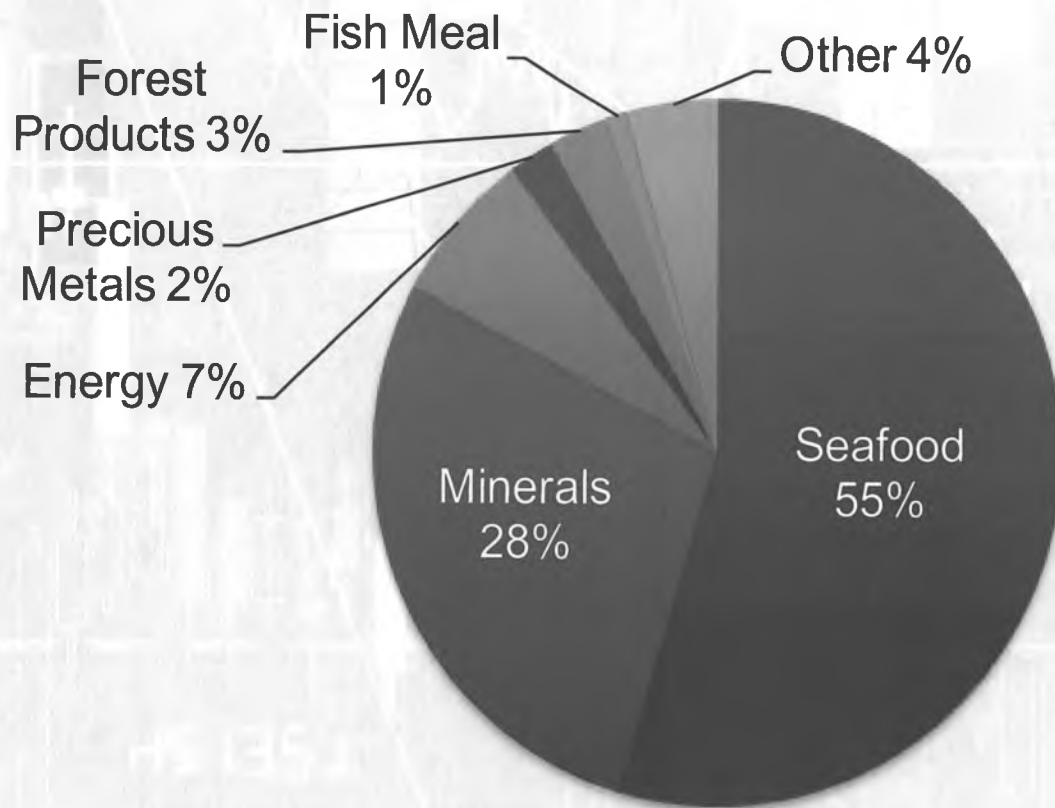
# Why Trade Matters?

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

# Exports = Jobs

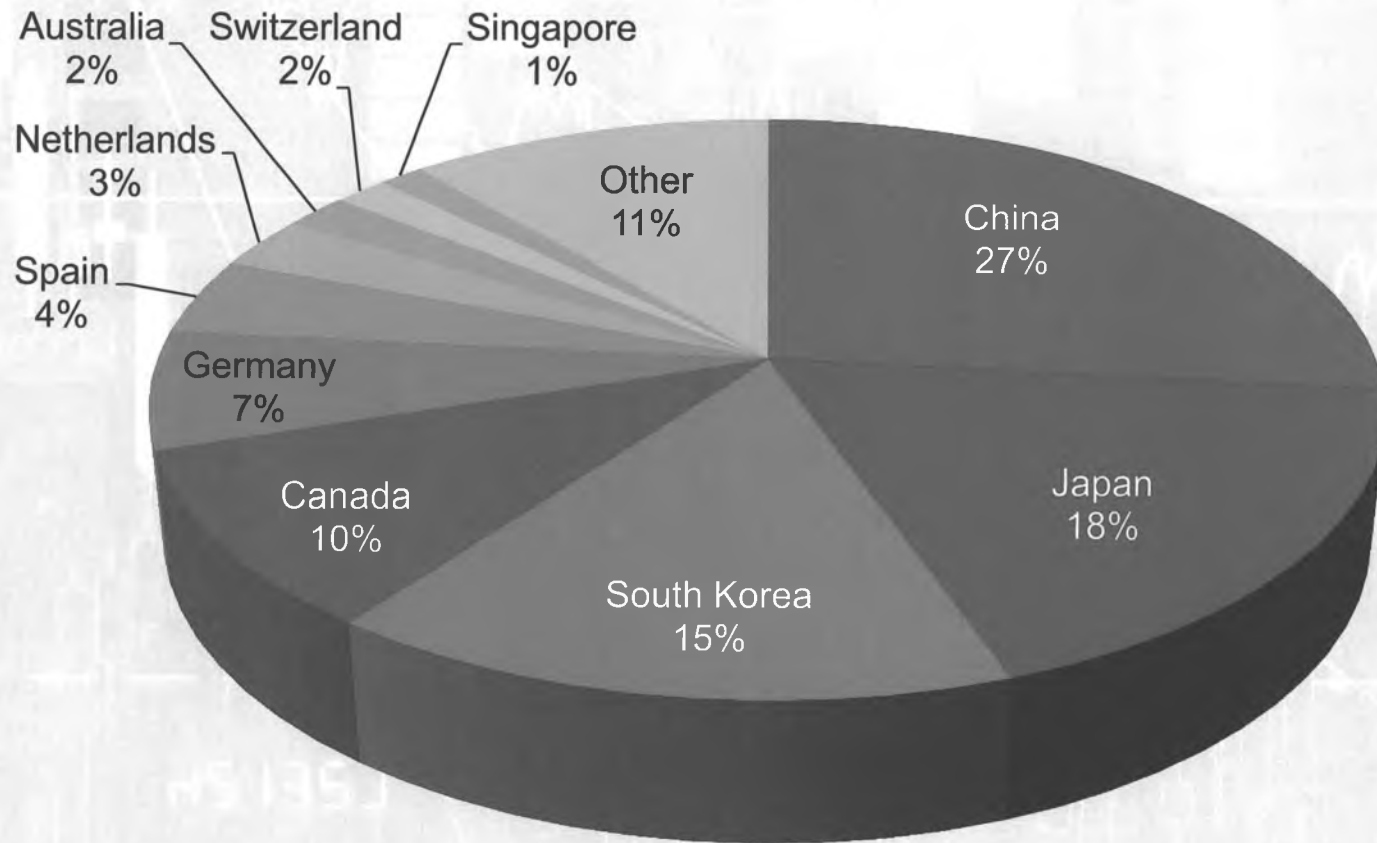
- Exports support nearly 15,000 direct and 10,000 indirect and induced jobs in Alaska
- Export jobs are high paying jobs. Export-related jobs typically pay 13-16% more than jobs tied solely to domestic economy
- According to the U.S. Department of Commerce, there are approximately 300 companies that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

# Alaska's Top Export Commodities, January–September 2012



Source: U.S. Census Bureau

# Alaska's Total World Exports January-September 2012 (\$3.47 Billion)



Source: U.S. Census Bureau

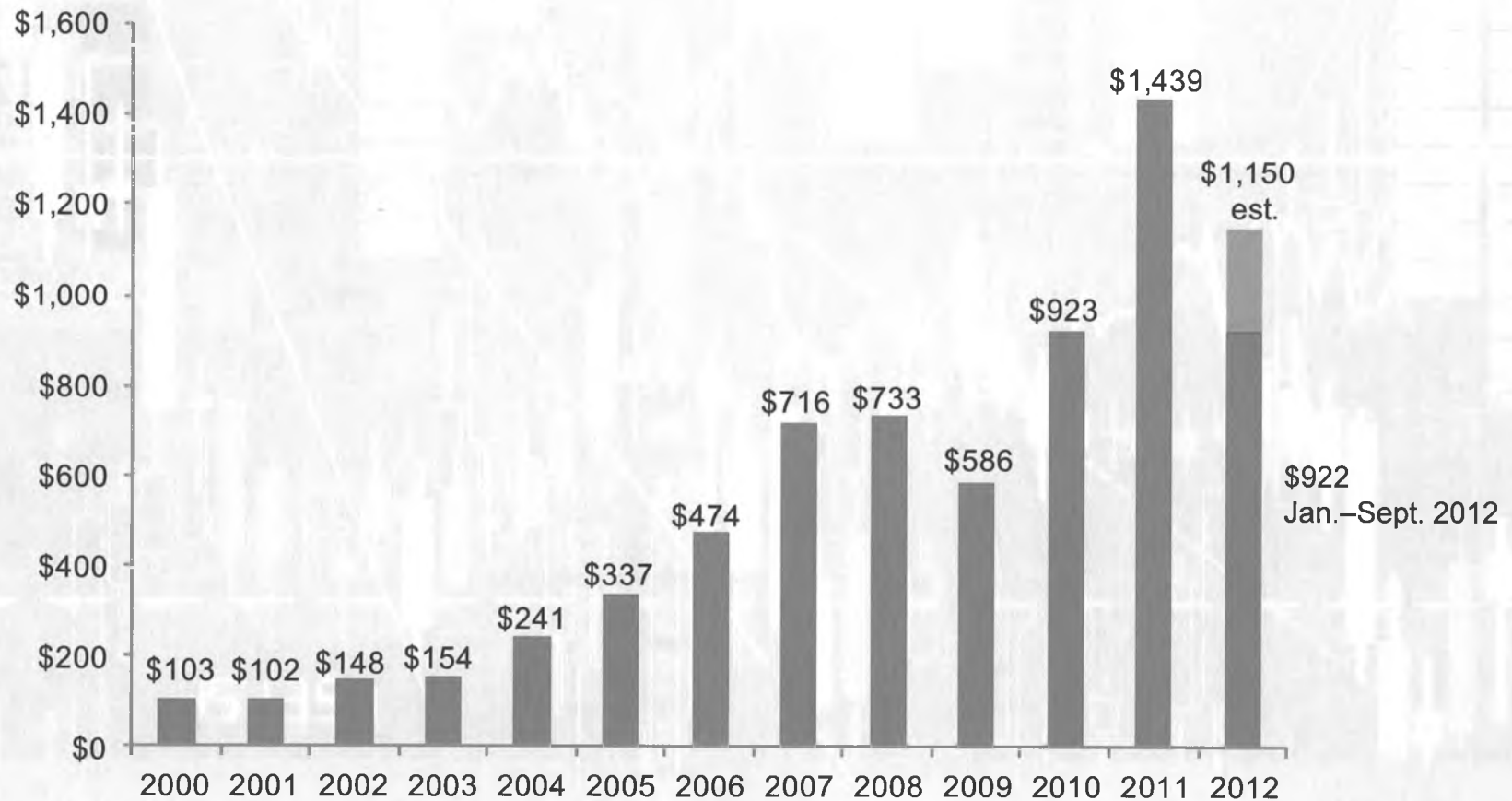
# Alaska Worldwide Exports 1994 -2012

USD Billions



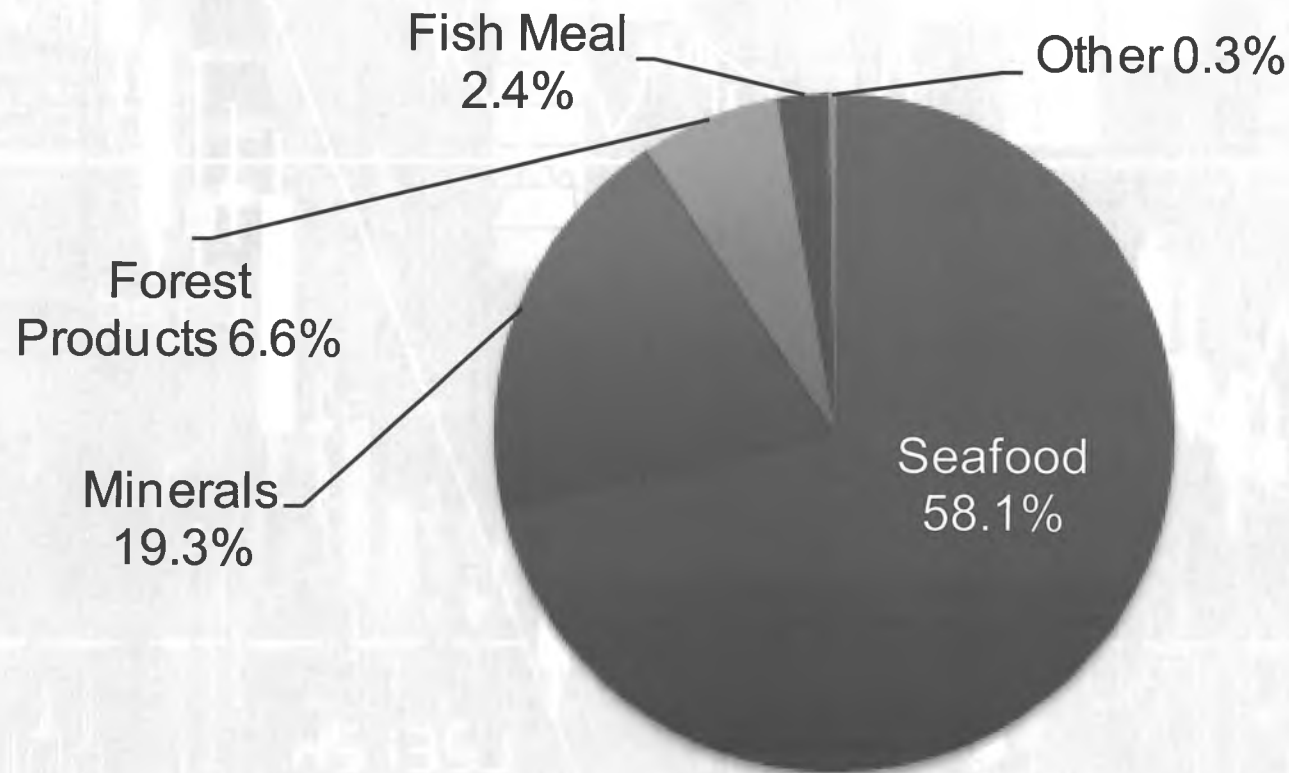
Source: U.S. Census Bureau

# Alaska's China Era Continues (2000 - 2012 Full Year Comparison) USD Millions



Source: U.S. Census Bureau

# Alaska's Exports to China (by Commodity), January-September 2012



Source: U.S. Census Bureau, SOA, Governor's Office of International Trade

# The Trends: The Three “Rights”

- **Right Place**

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

- **Right Time**

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

- **Right Commodities**

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

# The Outlook

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

# The Outlook (continued)

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

# 2013 Trade Forecast

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



WORLD TRADE CENTER  
**ALASKA**

## About the Trade Center

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



**WORLD TRADE CENTER**  
**ALASKA**

# Core Functions

- **Trade Capacity**

- Help Alaska Companies to become export ready through information, seminars, conferences, and other technical assistance.

- **Trade Development**

- Research foreign markets and identify trade opportunities for Alaska companies.

- **Trade Services**

- Support Alaska companies with the information and hands-on assistance needed to make trade happen. Connect Alaska sellers with overseas buyers.

- **Trade Facility**

- Make available office and conference room setting to facilitate business meetings and events.

- **Trade Network**

- Provide members with access to facilities and support in more than 300 cities around the world.

# “Boots On The Ground” Strategy



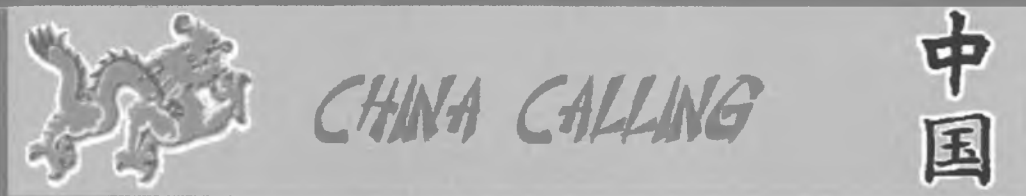
During the past 10 years, WTCAK has led missions to a variety of countries, including: China, Korea, India, Taiwan, Singapore, and Canada

# WTCAK Trade Development Programs



**Japan Focus**  
ジャパン フォーカス

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



**CHINA CALLING** 中国

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



**CANADA:  
Opportunities Next Door**

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



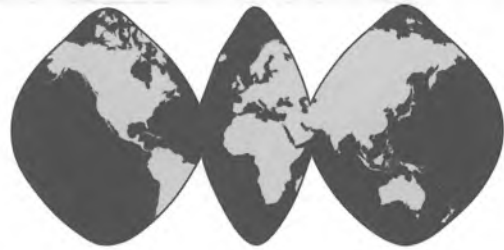
**KOREA  
Connection**

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



**New Markets  
New Customers**

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



# WORLD TRADE CENTER ALASKA

*Serving Alaska's Business Community Since 1987*

**Phone: (907) 27-TRADE**  
**web: [www.wtcak.org](http://www.wtcak.org)**

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