

ALASKA LEGISLATURE COMMITTEE FILES

1991-1992

8672

7033

HOUSE LABOR & COMMERCE

276

1 days and streamlining the office in Fairbanks.

2 Mr. Walters had requested and was supplied a copy of the
3 budget document in January. And I would assume, based on his
4 knowledge of the budget because he was Acting Director and involved
5 in the budget preparation, that he had an awareness and knowledge
6 of the budget document itself. And if I see a PACS run and I know
7 what I am and where I am, I definitely look to my PCN number first
8 to see where it is going and what it is doing. I would have
9 assumed Mr. Walters would have done the same.

10 SENATOR COLLINS: And that was well in advance of --

11 MS. REXWINKEL: That was in January. The other
12 discussions took place in October.

13 Normally -- or maybe other division directors do it
14 differently -- I would not -- even if I intended to lay off
15 someone, until the budget is finalized and it gets closer to that
16 time, you want to give employees the most advanced notice. But why
17 should you tell them, because things may change and the situation
18 may be altered sufficiently so that you may not need to do that.
19 So why provide that anxiety or any of those kinds of things?

20 So I would not inform them of any kinds of budget
21 reductions and/or layoffs until closer to when the Legislature has
22 the budget.

23 SENATOR COLLINS: As I recall last year, the
24 practice -- the reductions that were recommended by Senator
25 Schultz, basically he left those cuts up to the department. He did
26 not make any specific recommendations to any, as I recall.

27 MS. REXWINKEL: That is correct. As it originally
28 passed the Senate, it was targeted in Personal Services at two PCN

1 numbers, specifically. And then as it went to the House, it moved
2 into -- from Personal Services into a miscellaneous cut. It was
3 passed as a miscellaneous cut.

4 And we used things like changes in the mail practices.
5 We implemented teleconference hearings, or we -- the per diem
6 change helped substantially, things like travel, all of those kinds
7 of things. The efficiencies that we have implemented have helped
8 us live within that budget, and at currently we are.

9 (?)SENATOR CRAFT: Ms. Rexwinkel, I assume that you
10 -- you did a number -- a lot of the -- recommend discontinuance of
11 the per diem payment. I assume that you had, working with papers
12 previous to that, where you had figured out what those per diem
13 payments had been.

14 MS. REXWINKEL: Uh-huh.

15 (?)SENATOR CRAFT: We asked that you attempt to look
16 at who had the TR books, from whence they come, and which ones have
17 reference and which ones do not. Could you provide us, please,
18 with your working papers, demos, whatever you have, that led you to
19 the discontinuance of the per diem payments?

20 MS. REXWINKEL: I did not do that. Noah Cowan did
21 that as Commissioner of Administration. He issued a memo on
22 May 1st that said, "We will no longer pay board and commission
23 members for service within their own community."

24 (?)SENATOR CRAFT: Districts for all board and
25 commission members everywhere.

26 MS. REXWINKEL: Yes, that's right. Noah did that.

27 (?)SENATOR CRAFT: But had Noah provided to
28 Mr. Keller information of those specific to your order to --

1 MS. REXWINKEL: No.

2 (?) SENATOR CRAFT: -- you know, the information
3 you've given?

4 MS. REXWINKEL: No. I think they were concerned
5 over the costs of boards and commissions.

6 CHAIRPERSON PEARCE: Is that information available
7 in terms of how much people were getting for --

8 MS. REXWINKEL: It's readily available.

9 CHAIRPERSON PEARCE: -- how much a person was
10 getting, you know, who was getting the \$2000 a month?

11 (?) SENATOR CRAFT: We will request that if it is
12 pertinent to the administration, what the documentation was that
13 led down to the book.

14 What did you say the date of that memo was, March --

15 MS. REXWINKEL: May 1, 1991.

16 SENATOR CRAFT: -- May 1st, regarding discontinuance
17 of the per diem.

18 CHAIRPERSON PEARCE: It might be interesting to have
19 like -- something like the legislative budget leading up to the TR
20 situation and the travel situation for like the last five years or
21 something like that.

22 SENATOR CRAFT: I don't think so.

23 We've also asked you to provide us with a more specific -
24 - and you will have to look -- I know that the department
25 ___(94)___ in terms of the evaluations written by the Examiner
26 Chief and the references in those.

27 MS. REXWINKEL: Yes.

28 SENATOR CRAFT: We would like to have something so

1 that that would be in context.

2 CHAIRPERSON PEARCE: Are there other questions right
3 now from Mr. O'Connell(?)?

4 SENATOR HALFORD: Well, I guess I'm slowly figuring
5 out some incentives for attitudes, where it is individuals' per
6 diem or job fear. And I can understand the concern of Fairbanks
7 and the self-insurance question. It does not seem like a lot of
8 ideological problems, actually.

9 You know, you have mentioned in the ideology of this
10 administration to the last one -- I mean, good grief. When we have
11 got correspondence that talks about the previous person that's not
12 -- what's the position over the Hearing Officer?

13 CHAIRPERSON PEARCE: Chief

14 SENATOR HALFORD: --the Chief saying, "We're going
15 to find a better panel to reverse this position," it does not seem
16 like the politics is in this time, but it seems like it was last
17 time.

18 But something that I think I am sitting here reading in
19 this Section 1, apparently when both the injured worker and the
20 insurance carrier agree and want to settle, the Worker's Comp Board
21 can say, "No"?

22 MS. REXWINKEL: That is correct.

23 SENATOR HALFORD: And does.

24 MS. REXWINKEL: That is right.

25 SENATOR HALFORD: How often does it do that?

26 MS. REXWINKEL: Well, I would -- I'm juggling my
27 statistics offhand -- if you look on -- right behind Section 1,
28 there is a flow chart. And if you look down --

1 SENATOR HALFORD: I'll lose my place. I'm only
2 holding seven places here.

3 (Laughter.)

4 MS. REXWINKEL: Right there (indicating).

5 SENATOR HALFORD: Okay.

6 MS. REXWINKEL: Down about where your thumb is on
7 your right hand.

8 SENATOR HALFORD: Okay.

9 MS. REXWINKEL: It says "CNRs." We had 692 of them
10 submitted to the division. Of that, 493 were approved; 199 were
11 denied.

12 SENATOR HALFORD: Ah, I see. So -- what? --
13 20 percent of them that are agreed to by both parties are denied by
14 the Department?

15 MS. REXWINKEL: That is correct.

16 There is in regulation, as passed by the Board, a -- I
17 should say statute provides that lump sum settlements, if entered
18 into by both parties --

19 SENATOR HALFORD: These people are represented by
20 attorneys, right?

21 MS. REXWINKEL: Most of them are, yes. Occasionally
22 you will have an individual who represents himself. But if you are
23 in a CNR, chances are there is an attorney who has been involved in
24 it and both sides, then, would be represented by legal counsel.
25 And they come together -- statute says that these lump sum payments
26 are approved -- again, be approved by the Board if they are
27 determined to be in the best interest of the employee. Regulation,
28 then, defines what is not in the best interest of the employee.

1 SENATOR HALFORD: An employee does not get to
2 decide?

3 MS. REXWINKEL: That is why my office gets a whole
4 lot of calls from legislators' offices concerning constituents who
5 are absolutely upset with the Board because they have not approved
6 their settlement agreement. People who are in financial distress,
7 who cannot make house payments, who have no compensation coming in,
8 have finally settled their case and they are waiting for this
9 behemoth to help save their house from being repossessed. And they
10 are absolutely upset because the Board has refused to approve the
11 agreement.

12 SENATOR HALFORD: Do they write an order as to why
13 they disapproved it, each time?

14 MS. REXWINKEL: Yes.

15 SENATOR HALFORD: I would like some kind of review
16 of the disapprovals, particularly the disapprovals when both sides
17 were represented by counsel.

18 MS. REXWINKEL: I have one just recently. All of
19 the legislators' offices in the Valley have contacted me about a
20 certain claimant, and she was represented by counsel. In the
21 matter she had agreed to a settlement.

22 Her attorney also represents her in a third-party suit
23 out against -- oh, say, a manufacturer or somebody else. And as
24 part and parcel of that case, he combined his attorney's fees.
25 They refused to approve the settlement because the attorney had not
26 provided a listing of what these were associated with, the
27 compromise in release for Worker's Comp, and which ones were
28 associated with the other one.

1 SENATOR HALFORD: Why do they care?

2 MS. REXWINKEL: I have no idea. All I can tell you
3 is what they did.

4 SENATOR HALFORD: What has happened to that case?
5 How long has it been?

6 The person has been denied the benefit that they agreed
7 to and the insurance company had agreed to pay?

8 MS. REXWINKEL: That is correct.

9 SENATOR HALFORD: How long has this particularly one
10 been?

11 MS. REXWINKEL: It is going on -- I think it is
12 almost a month now.

13 SENATOR HALFORD: There's lots of things I didn't
14 ever want to know about what was (unintelligible).

15 MS. REXWINKEL: Part of the -- when we helped the
16 Legislative Task Force last year, one of the big debates was
17 compromising release settlements; and there was a lot of discussion
18 and interaction and, I guess, a free-for-all, really, about
19 compromising release settlements. They create a great deal of
20 consternation on the part of many in the legal society because,
21 here they have reached this agreement and then the Board decides
22 not to approve it.

23 So the feelings from the Bar Association, the Bar
24 representatives, the claimant representative, attorney
25 representative, and the employer attorney representative, that if
26 both sides -- in fact, they suggested statutory language changes
27 that would provide that if both sides were represented by legal
28 counsel that the settlements would be approved.

1 SENATOR HALFORD: It makes sense to me.

2 SENATOR CRAFT: How could that be accomplished, I
3 wonder?

4 MS. REXWINKEL: A statutory change?

5 SENATOR CRAFT: Uh-huh.

6 CHAIRPERSON PEARCE: Is that something we have to
7 do?

8 MS. REXWINKEL: You guys introduce it.

9 SENATOR CRAFT: It just seems to me they shouldn't
10 be involved once they have made up their minds, people have agreed.

11 CHAIRPERSON PEARCE: Ms. Rexwinkel, have you had an
12 opportunity to talk with -- ___(175)___ as all this was happening,
13 have you had a chance to talk with the Commissioner directly about
14 the allegations that have been alleged against you about which
15 you've shared with us today?

16 MS. REXWINKEL: I have not spoken with him about
17 these documents. The Commissioner has been out of town.
18 Commissioner Mahlen has been in Anchorage, and I think then in
19 Fairbanks, for a period of time. He is due back in the office
20 tomorrow.

21 It is my understanding that this was prepared and put in
22 final form this morning. So while he has a copy, I have not had an
23 opportunity to discuss with him.

24 I have had limited opportunity -- and I know that he has
25 had a lot of correspondence given to him concerning this issue from
26 various parties involved -- yes. And it has, I'm sure -- those
27 entities.

28 In the Commissioner's defense, he came in amidst the

1 budget session, all of those kinds of things. So all kinds of
2 items have been occupying his time. I am hoping that when he does
3 come back into town, immediately upon his return, we can sit down
4 and discuss this.

5 CHAIRPERSON PEARCE: Do you have any file in which
6 you have --

7 MS. REXWINKEL: I do have a conclusion.

8 (Laughter)

9 I always have to have the last word.

10 It says, "There have been allegations" --

11 SENATOR HALFORD: Have you ever thought about that?

12 MS. REXWINKEL: No.

13 (Laughter)

14 No. I'm -- I -- you know, I --

15 SENATOR CRAFT: Never did (unintelligible)

16 ___ (196) ___.

17 I never said that I could have the last word.

18 (Laughter.)

19 MS. REXWINKEL: I never thought of it about this.

20 (Whereupon, Ms. Rexwinkel continued reading from her
21 prepared presentation, "Conclusion," Page 13 and concluded her
22 presentation on Page 14.)

23

24 Thanks.

25 CHAIRPERSON PEARCE: Thank you. We appreciate your
26 willingness to appear before us today and also to be under oath.
27 It is unusual, although certainly not unprecedented, that one of
28 the committees of the Legislature invites someone under oath. But

1 as the allegations have been fairly stringent in this case, we
2 thought that it was definitely appropriate.

3 I have not had a chance, since we were just given all
4 these documents today, to read through them. I have not had a
5 chance to review all of those that came from Commissioner Noah, the
6 minutes of the March meeting. I would like to do that.

7 I wonder if you would be willing to come back before the
8 Committee at a date uncertain at this time -- and we've had an
9 opportunity to review these -- if you would be willing to come up
10 before us again.

11 MS. REXWINKEL: I would welcome the opportunity.

12 CHAIRPERSON PEARCE: We also, I would remind the
13 Committee, have confirmation hearings coming up before the
14 Commissioner, and also --

15 (There was conferring among the Committee members.)

16 We have confirmation hearings coming up for those board
17 members, so we are going to be having an opportunity to talk with
18 at least some of them. We will get that information to you in
19 terms of who they are fairly soon. We have not set dates for those
20 hearings yet.

21 And we also do know that the Commissioner's travel
22 schedule will be up soon. It will be sometime in April.

23 Also for the record, we've been requested that we provide
24 tapes of this hearing to the Ombudsman's Office; and we said we
25 would do so. Also to the House Judiciary -- I don't know, the
26 House Judiciary or the Finance Committee?

27 (There was conferring among the Committee members.)

28 We have been requested by Representative Copeland to

1 provide a copy of this tape to that subcommittee.

2 MS. REXWINKEL: Senator, I would like to request a
3 copy as well.

4 CHAIRPERSON PEARCE: You will also get a copy of the
5 tape of two days' hearing.

6 Any other requests by any Committee Member before we
7 close the hearing?

8 Senator Collins?

9 SENATOR COLLINS: Well, I guess I have a concern in
10 looking at some of the information, although somewhat briefly
11 listening to some of the testimony and reading some of the
12 newspaper articles. You know, we have, obviously, a number of
13 board members who have made statements with respect to these
14 allegations; and it would seem to me that we -- I would prefer not
15 to confer with either the Commissioner or the Board Members until
16 we have clarified pretty much what is going on here, assuming help
17 from the Senate.

18 If we have board members who have made false accusations,
19 I think we need to figure out if they were false accusations.
20 Because if they make false accusations, we certainly don't
21 ___(260)___ from them.

22 So I think it is kind of important to kind of clarify
23 this issue before going on with those confirmation hearings. My
24 comfort level would be much better if we would defer any
25 confirmation hearings (unintelligible) and some results.

26 CHAIRPERSON PEARCE: It's going to happen.

27 SENATOR HALFORD: Well, my question is what is the
28 next step?

1 I mean, there are significant conflicts in the statements
2 that we've now heard, either in the paper or in this. I would like
3 to know -- they are conflicts that, frankly, they can't both be
4 true. You know, that says that we have more work to do. I think
5 we have to come to some kind of conclusion.

6 SENATOR COLLINS: I agree.

7 SENATOR HALFORD: And I don't know whether we should
8 ask that -- I mean, I hate to go back -- I guess what would we do,
9 go back to the press reports and ask the people that have made the
10 statements there and in the documentation we already have, to tell
11 us what the information is?

12 CHAIRPERSON PEARCE: Well, we can certainly -- as I
13 said at the beginning, we will provide the opportunity -- for
14 anyone who says they want to come before the Committee, we will
15 provide them the opportunity to do so, also under oath.

16 It seems to me we are fully within our rights if we ask
17 any individual who has made an allegation to come before the group.
18 I don't have -- in this present committee, I haven't had a chance
19 to review this.

20 SENATOR HALFORD: Yes, I guess we can go through it
21 and decide.

22 CHAIRPERSON PEARCE: Frankly, no, I don't want to
23 take the names from the ___(287)___, which I have been. I would
24 rather go through these and take them from the beginning.

25 SENATOR HALFORD: Obviously, I hated that thought.
26 That's why it was so hard to say it.

27 (Laughter)

28 CHAIRPERSON PEARCE: I would much rather go through

1 | this documentation.

2 | I also do not have -- or I don't know. There may be --
3 | I'm not sure whether we have a copy of whether their testimony was
4 | given under the Whistle Blower Act or not. I have not had an
5 | opportunity to look through this and see what is there. We will
6 | find that out.

7 | What I would suggest is that we each review the
8 | information that we've got and then discuss who we would like to
9 | bring back -- who we would like to bring before the Committee, set
10 | a hearing, and have minutes waived, so to speak.

11 | I agree with you. Ms. Rexwinkel has testified under oath
12 | she has gone through so many peripheral allegations. I don't know,
13 | frankly, whether it is all embodied in these letters or not.
14 | Certainly I have not heard anything that cause me to want her
15 | removed from requisition here today. In fact, I think there should
16 | be --

17 | SENATOR HALFORD: Well, there are some cross charges
18 | in here.

19 | CHAIRPERSON PEARCE: That's very different, and I do
20 | think that we need to clear that up. I rule that we have a
21 | responsibility to the public to do so.

22 | And I feel like Senator Collins does. Before we go into
23 | confirmations of any of these people, I aim to get to the bottom of
24 | this.

25 | You have your homework.

26 | (Whereupon, the Senate Labor and Commerce Committee
27 | hearing concludes.)
28 |

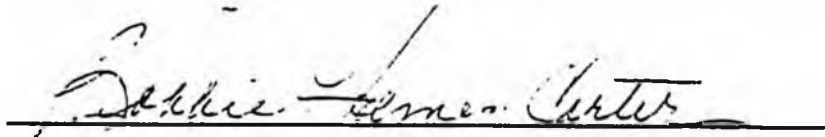
1 (Note: Tape 2, Side B is blank.)

2

3

4 Transcribed this, the 2nd day of April 1992, to the best of my
5 ability.

6

A handwritten signature in cursive script, reading "Bobbie Holmes-Carter", is written over a horizontal line.

7

Bobbie Holmes-Carter

8

ASEA/AFSCME Local 52, AFL-CIO

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Executive

Order

79

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 21, 1991

FURTHER REFERRALS:

Labor and Commerce

Date of Committee Action: Jan. 28, 1991

The INTERNATIONAL TRADE AND TOURISM Committee considered:

EO 79

EXECUTIVE ORDER NO. 79

ITT FROM GOVERNOR'S OFFICE TO C&ED

Transferring the Office of International Trade from the Governor's Office to the Department of Commerce and Economic Development, effective March 23, 1991.

RECOMMENDATIONS:

be replaced with _____ [] the same title
[] a new title

[] have attached amendments(s)

do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note: _____

(2) zero fiscal note(s) C&ED 1/21/91
GOVERNOR OF C. / 1/21/91

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>J. Ellis</i>				
<i>Bethie Davis</i>				
<i>Bill Hunter</i>				
<i>Chris Taylor</i>				
<i>Mark Miller</i>				
<i>Paul (unclear)</i>				
<i>Tom Meyer</i>				

Tom Meyer
Chairman's Signature

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
Bill Version: EO 79
(H) Publish Date: 1/21/91

Revision Date: _____ Department Affected: Commerce & Economic Dev.
Title: Executive Order transferring BRU: _____
Office of International Trade to DCED Component: _____
Sponsor: Rules Committee
Requestor: Governor COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Guy Bell, Director Phone: 465-2505
Division: Administrative Services Date: January 17, 1991

Approved by Commissioner: Glenn A. Olds
Agency: Department of Commerce & Economic Development Date: January 17, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 2
Bill Version: EO 79
(H) Publish Date: 1/21/91

Revision Date: _____ Department Affected: Office of the Governor
Title: Executive Order transferring BRU: Executive Operations
Office of International Trade to DCED Component: OIT
Sponsor: Rules Committee
Requestor: Governor COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Funding for the Office of International Trade exists within the state operating budget. These funds will be transferred to the Department of Commerce and Economic Development through the FY 92 budget process.

Prepared By: Michael A. Nizich, Director *Mor* Phone: 465-3616
Division: Administrative Services Date: 1-18-91
Approved by Commissioner: _____
Agency: Office of the Governor Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Introduced: 1/21/91

IN THE HOUSE

Referred: International Trade and Tourism, Labor and Commerce

IN THE SENATE

Referred: International Trade and Tourism, Labor and Commerce, Finance

EXECUTIVE ORDER NO. 79

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with
2 AS 24.08.210, I order the following:

3 * Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient
4 administration to move the Office of International Trade, including the Alaska Foreign Offices, from the
5 Office of the Governor to a new Division of International Trade within the Department of Commerce
6 and Economic Development, thus integrating the state's international trade activities within the state
7 agency responsible for the comprehensive economic development of the State of Alaska.

8 * Sec. 2. AS 39.25.120(c) is amended by adding a new paragraph to read:

9 (21) the director and deputy director of the division of international trade in the
10 Department of Commerce and Economic Development.

11 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

12 (33) foster the growth of international trade within the state and administer Alaska
13 foreign offices.

14 * Sec. 4. AS 44.33 is amended by adding a new section to read:

ARTICLE 9. DIVISION OF INTERNATIONAL TRADE.

15 AS 44.33.800. DIVISION OF INTERNATIONAL TRADE. (a) There is established
16 within the Department of Commerce and Economic Development the division of international
17 trade to foster the growth of trade between Alaska and foreign countries.
18

19 (b) The division of international trade shall maintain foreign offices, including an office
20 located in Tokyo Japan and Seoul, Republic of Korea. The foreign offices shall serve as outlets
21 for information related to economic development, resources, and trade and as contact points for
22 government and private industry of Alaska and for the Pacific Rim nations of Asia and other
23 foreign countries to promote and maintain trade between the state and those countries.

G

1 (c) The commissioner shall staff the foreign offices with persons the commissioner
2 selects based on their experience, training, and linguistic ability. The commissioner shall solicit
3 ideas from the legislature regarding desirable staff qualifications and its recommendations of
4 persons to staff the offices. The commissioner may hire additional personnel as necessary.

5 (d) The governor shall direct all state agencies, and request the federal government and
6 private industry, to provide the division of international trade with necessary reports, brochures,
7 and information requested by division staff.

8 (e) The commissioner shall report annually to the legislature on the activities and
9 accomplishments of the division of international trade.

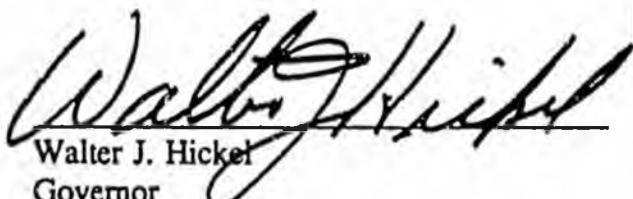
10 (f) The expenses of operating the division of international trade and its foreign offices
11 shall be included in appropriations made to the Department of Commerce and Economic
12 Development.

13 * Sec. 5. AS 44.19.075 is repealed.

14 * Sec. 6. TRANSITION. Contracts, rights, liabilities, and obligations created by or under a law
15 amended or repealed by this Executive Order, and in effect on March 22, 1991, remain in effect
16 notwithstanding this Order's taking effect. Records, equipment, appropriations, and other property of
17 agencies of the state whose functions are transferred under this Order shall be transferred to implement
18 the provisions of this Order.

19 * Sec. 7. EFFECTIVE DATE. This Order takes effect March 23, 1991.

20
21 DATED: 1-21-91

22
23
24
25 
Walter J. Hickel
Governor



I.T. & T

DATE: 01/28/91

PLACE: Rm 17 Capitol

SUBJECT OF MEETING:
E.O. 79 - Commissioner Glen Olds to speak
Questions w/ Ginna Brelsford, director OIT

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
<i>Glen A. Olds</i>	<i>Comm. on Educ</i>					Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

WALTER J. HICKEL
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1991

The Honorable Ben Grussendorf
Speaker of the House
P.O. Box 7
Juneau, AK 99811

Dear Speaker Grussendorf:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 79 which would transfer the Office of International Trade from the Governor's Office to the Department of Commerce and Economic Development, effective March 23, 1991.

In accomplishing the transfer, the Executive Order would effect several changes. In addition to creating a Division of International Trade in DCED, it would make it clear that the "Alaska Foreign Offices," referred to in present AS 44.19.075, are within and under the direction of that new division. It would delete the present limitation in that statute of two foreign offices (Tokyo and Seoul) since, in actuality, the state presently has a third office in Taiwan and may wish to establish other offices in the future. Also, it would place the director and deputy director of the new division within the partially exempt service (AS 39.25.120).

I believe that international trade will play an increasingly important role for the Alaska economy over the years ahead and that the State of Alaska can be a significant catalyst in the development of that trade. The state's efforts in that regard can best be carried out by placing the responsibility for those efforts in a new division in the Department of Commerce and Economic Development -- the agency with the overall mission of fostering trade and business growth in the state.

I urge your support of this Order.

Sincerely,



Walter J. Hickel
Governor



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: Members of House Special Committee
on International Trade and Tourism

Jan. 24, 1991

From: Representative Tom Moyer, Chairman *TEM*

Re: Committee schedule

For next week only, the Committee will meet on the following schedule to transact the business noted:

- Monday, Jan. 28, 5 p.m. Labor and Commerce Committee Room 17. Overview of international trade by the administration and Executive Order 79.
- Thursday, Jan. 31, 11:30 a.m. Labor and Commerce Committee Room 17. Overview of the Alaska tourism industry.

We hope to firm up a permanent meeting time and place to be announced next week. I also would be interested in hearing from members the issues you would like addressed by the committee this year.

To expedite the consideration of bills to be heard before the committee, the following information is necessary:

1. Written request for a hearing.
2. Sponsor statement.
3. Fiscal note (s).
4. Position papers.
5. Any additional backup information.

For questions about committee business, contact David Ramseur or Tiffany Markey at 465-2973.

MEMORANDUM

To: Glenn Olds, Commissioner
 Department of Commerce and Economic Development

From: Ginna Brelsford, Trade Specialist
 Office of International Trade

Subj: OIT Status Report

Date: January 24, 1991

The Office of International Trade is headquartered in Anchorage and operates foreign offices in Tokyo, Japan (since 1964), Seoul, Korea (since 1985) and Taipei, Taiwan (since 1989). The office is designed to diversify Alaska's economic development initiatives by internationalizing Alaska's business climate and strengthening Alaska exports.

- **Trade lead program:** OIT assists Alaska businesses seeking export markets in Asia and the Soviet Union. Each office promotes sales of Alaskan products by participating in trade and catalog shows, offering samples of Alaskan products and assisting Alaskan business people traveling to Asia with entrees into markets and necessary government offices. Also, the offices work with news organizations that result in favorable coverage for Alaska.

- **Education.** Seminar development on key countries and industries for Alaska trade including Japan, Korea, Taiwan, China, the Soviet Union and the emerging European markets. These seminars include the basic export information, country specific regulations, U.S. foreign relations, protocol. A quarterly journal, the International Trade Digest, is published with trade information.

- **Trade Shows, Missions.** OIT regularly organizes trade shows in Japan (FOODEX) and Korea (Korea Alaska Trade Fair) that showcases Alaska's industries and products for exports. Trade Missions have been designed for governors as well as business leaders in the state to Japan, China, Korea and the Soviet Union.

- **Northern Forum:** Regional leaders from the Arctic and North Pacific established a forum, currently staffed out of OIT, to marshal resources and exchange ideas and strategies for addressing common areas of concern. This includes a major emphasis on business development and science and technology projects.

- **International Tourism:** Korea and Taiwan. The offices devotes considerable time to developing Alaska as a prime destination for tourists. This includes travel shows and tours crafted exclusively for specific foreign populations as well as working with Alaska entrepreneurs.

- **Transportation/ Air Cargo:** OIT worked with the International Airport to bring Anchorage into the air cargo hub between Asia and Europe.

- **Shipping:** Opening the Northeast Shipping Route. OIT continues to work closely with the Soviet Union ministries to open the Northeast Shipping passage between Asia and Europe using Dutch Harbor as a transshipment port.

- **Soviet Union:** Between 1988 and 1990, OIT spearheaded an aggressive economic and cultural exchange program between Alaska and the territories in the Soviet Far East. The office organized the 1988 Friendship Flight, hosted numerous government delegations and staffed visits to the Far East and Moscow. Beginning in late 1989, private sector trading companies began to spring up and larger companies such as Alascom and Alaska Airlines no longer required extensive OIT involvement. The office maintains strong ties with the Russian Federation and continues to support Alaska businesses in their trade efforts.

Personnel

Anchorage: 1 secretary, 1 receptionist, 1 administrative assistant, 1 Intern, 4 trade specialists and 1 special assistant to the administration.

Korea: director, assistant, office manager

Japan: director, marketing specialist, secretary

Taiwan: director

Budget: FY 91 1.7 million. Anchorage: 890.91; Korea 276.24; Japan 352.45, Taiwan 43.00.
 FY 92 1.4 million (proposed)

COUNTRY SUMMARY -- KOREA

Korea is Alaska's second largest trading partner taking approximately 7% of all products and materials sold overseas. Primary exports include fish, timber, petroleum products, and coal and minerals. Alaska established our trade office in Korea in 1985 -- and was the first U.S. state to recognize the importance of Korea as a trading partner. In 1989, total exports to Korea reached nearly \$174 million, and OIT today handles approximately 15 Korean related trade leads per week. The Seoul Office (ASO) has three staff members.

Key Challenges/Issues:

•Trade barriers. Due to U.S. pressures and the Uruguay Round Table talks, the Korean government has rapidly reduced tariffs in recent years. However, non-tariff barriers, such as a complicated distribution system, continue to make it difficult to export many items to Korea. Labor strikes, control on capital, inflationary pressures, social unrest, and consumer frugality campaigns also hinder trade prospects. The Alaska OIT can continue to work with the American Embassy, the Division of Business Development (DBD) and ACIB to target products with the best prospects for export.

•Strengthened Northern Policy. Korea has recently established a diplomatic relationship with the Soviet Union, which has in turn, effected Korea's relationship with China. This political change could open trade ties with the Soviet Union and China -- direct competition for Alaska's natural resources. OIT and DNR must promote the positive qualities in our Alaskan supply such as political stability, extraction technology and a high quality product to insure continued sales overseas.

•Alaska's small business structure. Small business makes up a majority of Alaska's industry and commerce. Although this can be viewed as a positive, small business lacks the capital to expand or the funds to develop and market products for overseas. OIT, DNR, ACIB, DBD, the Small Business Development Center and chambers of commerce should continue to sponsor trade shows overseas, and educate Alaskans on the complexities of international trade.

Other Issues/Opportunities:

•Increased tourism opportunities. In 1989 the Korean government totally liberalized overseas travel. With increased personal incomes, a high savings rate, and an insatiable desire for education, the Korean tourist is an excellent target market for Alaska. In fact, both the American Embassy in Seoul and the ASO list tourism as the best opportunity for trade with Korea. OIT should continue to work with the Division of Tourism to sponsor travel fairs, organize familiarization tours, and assist Korean and Alaskan tour wholesalers in entering the market, an area which I have experience and tremendous interest in.

•Continued promotion of TAGS. Although Yukon Pacific has exchanged a letter of intent with the Korea Gas Corporation, OIT must continue to work with Yukon Pacific to strengthen these ties and show the economic and business benefits to moving ahead with the project. There is currently talk of building a gas pipeline from the Soviet Union through North and South Korea to Japan.

•Increased interest in Alaskan seafood. Tariff reduction on seafood products coupled with the restriction of Korean deep sea fishing in the Bering Sea has made Alaskan seafood products more desirable in Korea. OIT should continue to work with DBD and ASMI to locate Alaskan suppliers and offer seminars in Korea on access to the Alaskan seafood market.

COUNTRY SUMMARY -- CHINA (PRC)

The People's Republic of China (PRC) is Alaska's fourth largest trading partner. Heilongjiang Province and Alaska established sister-state relations in 1985. Despite this good beginning, total Alaska exports have decreased 37% since their high point in 1987. In contrast, exports to China's political rival Taiwan have increased 139% over the same period. What has been the cause of this trade deterioration and what are the prospects for reversing this trend?

Key Challenges/Issues:

- Political considerations. Three political factors contributed greatly to the rapid deterioration in Alaska-China trade: (1) changes the Magnuson Act prohibiting foreign processors from operating within Alaska's 200 mile limit caused exports of fish products to drop to zero; (2) national reaction to the June 1989 Tiananmen Square Massacre brought China's MFN status into question and restricted the atmosphere for free trade; and (3) opening of our State office in Taipei, Taiwan shifted Alaska's focus away from China.
- Economic considerations. Unlike the Soviet Union, China has a convertible currency. China has devalued its currency to 5.2 RMB/\$ (which is almost equal to the black market rate of 5.7 RMB/\$). Foreign currency reserves remain a problem and foreign contracts require governmental approval. Barter and trilateral trade are often necessary to make a contract profitable. The economic situation in China, however, is continuing to improve and the government has made recent efforts to help develop trade, particularly in the Special Economic Zones (SEZ).
- Fisheries development. The China National Fisheries Corporation (CNFC) has closed their Anchorage office and relocated in Seattle. They have no immediate plans to invest in on-shore processing in Alaska. Hatchery technology has been sold to China but future potential appears limited due to Japanese competition in this area. Possibilities exist for the exchange and development of aquaculture technology.
- Timber development. Timber sales have remained constant despite the changes in the political climate. Heilongjiang is interested in reviving our state relations on timber. There is a potential market for small and medium sized interior timber in China. Possibilities for sales of partially processed logs or pulp also need to be explored.
- Tourism development. Three factors have contributed to improved possibilities of tourism development in China: (1) improved political climate; (2) the opening of direct air routes to the Soviet Far East--possible to see both sister states of Khabarovsk (USSR) and Heilongjiang (PRC) in one trip; and (3) development of Hainan Island--possibly the next Hawaii in the Pacific.
- Technological, educational & cultural exchanges. Both Chinese and Alaskan counterparts appear interested in reviving and strengthening relationships.

GLENDAMAYE CLARK. Glenda joined OIT this past December as Special Staff Assistant under the Hickel administration. Her primary duties in this position have been that of liaison between the Governor's office and OIT. In order for her to learn more about OIT and its role in Alaskan trade, she has participated in our office's day to day activities by researching trade leads, problem solving, and handling inquiries regarding Alaskan-Soviet activities. She is an eight-year resident of Alaska and has worked primarily in the private sector doing various managerial jobs. Before she came to OIT, she was Director of a grassroots organization, Alaskans For Legislative Reform. She received her Bachelors of Science and Nursing Degree from the University of Kentucky in 1982.

SUE A. KINNEY. Sue is a 31-year resident of Alaska and has worked with the office as secretary to the director since 1985 when the position was moved from Juneau to Anchorage. Responsibilities of the position include making extensive foreign and domestic travel arrangements for both OIT personnel and in the case of trade missions, other SOA offices and private sector officials. A thorough knowledge of SOA procedures and administration is also necessary in drafting and formatting a wide variety of correspondence, keeping the director's calendar and making arrangements for foreign visitors wishing to meet with State agencies and officials.

CYNTHIA M. SCHILLER. Cynthia joined the Office of International Trade in August. She received a B.S. in Merchandising and a minor in Marketing from Texas Tech University. Responsibilities of secretary/receptionist include directing incoming calls, routing mail, filing, and correspondence. Greeting and directing walk-ins, as well as updating mailing lists, are also part of her job.

LEOLA MARIE WEIMER. Leola is a fifth generation Alaskan who joined the Office of International Trade in May of this year as the Project Assistant for the Third Northern Regions Conference. Prior to coming to work at this office, Leola worked in Juneau as a legislative assistant and as an analyst for Legislative Research. She also worked in Washington, D.C. for Senator Murkowski. Leola has a B.A. in Political Science and Japanese Studies from Whitman College and an M.A. in Sino-Soviet Relations from George Washington University. She speaks Japanese, Chinese, German and Russian. She has studied in Japan for a year, worked in China (PRC) for a year, lived in West Germany for three and a half years, and visited the Soviet Union. Leola is currently a trade specialist with OIT.

Please Note: A profile of Lisa Frostad, an intern with OIT, will be forwarded later.

Notes Regarding Preliminary Participation of a Strategic Plan
for Alaska's Economic Development and Trade

The enclosed is a brief, broad-stroked, initial outline of features of such a plan to generate input, critique, and participation.

Strategic plans are for the purpose of direction and perpetual update and refinement.

Staff in the Department of Commerce and Economic Development are working toward a first refinement by February 1. Departments and friends of Alaska are being solicited for input.

Glenn A. Olds
Commissioner

January 15, 1991
Date

STRATEGIC PLAN

Assumptions/Trends/Expectations: (Impacting on Commerce and Economic Development)

1. External Environment (The World)
2. Internal Environment (Alaska)
3. Scientific and Technical Environment
4. Moral and Spiritual Environment

Elements of a Strategic Plan

Mission I. Improve climate for doing business with state, encouraging and supporting economic development and commerce.

- A. Develop the "case" for Alaska.
- B. Develop the "strategic plan" for Alaska's economic development.
- C. Reduce barriers and bureaucracy.
- D. Enhance support services.
- E. Strengthen Alaskan "presence" - D.C. - abroad.
- F. Devise "incentives" - tax, profit, other.

Mission II. Discover, encourage, enhance new opportunities:

- A. Enlist university system, R&D.
- B. Enlist arctic commission.
- C. Enlist Foundation for Science and Technology.
- D. Enlist allied agencies/state, federal and international.
- E. Enlist private sector (chamber/professions/voluntary nonprofit).
- F. Develop R&D/futurist arm.
- G. Establish and staff Governor's Council of Economic Advisors.
- H. Develop integrative models for rural development.
- I. Develop value-added opportunity in each sector.
 - o departments and agencies

Mission III. Improve and facilitate infrastructure essential to growing quality public/private partnership.

- A. Encourage and establish capital investment fund and program.
- B. Accelerate and improve present partnership.
 - 1. AIDEA
 - 2. ASHA
 - 3. AEA
 - 4. ATMC
 - 5. ASMI
 - 6. AASA
 - 7. other
- C. Change and reinforce international carrier Alaskan stops and services.
- D. Modify Jones Act to enhance trade.
- E. Effect major international trade agreements and programs
 - 1. capital investment
 - 2. market development
 - 3. value-added industry - _____ and services
 - 4. science and technology transfer
 - 5. communications
- F. Develop model training program for developing countries (AID).
- G. Utilize new immigration policy - import essential intellectual and practical skills and leadership (Soviet Jews/Eastern Europe/Hong Kong).
- H. Recruit Hong Kong - capital/facilitators-Pacific.
- I. Develop industrial parks:
 - 1. Anchorage - professions/health/services/distribution/maintenance
 - 2. Juneau - mining/fisheries/recreation-related
 - 3. Valdez - fossil fuel related/port/resources
 - 4. Fairbanks - Ag., minerals, Arctic, R&D, rural technology
 - 5. Regional -Skagway - Canada
Bethel - peninsula
Kodiak - sea
Unalaska - maritime services
Unalakleet - N.W.
Nome - Siberia connection
Kotzebue/Barrow
Palmer/Mat-Su Valley - value-added/Ag.
- J. Develop and integrate sectoral resources and services
 - 1. natural resources
 - 2. environmental services
 - 3. capital investment
 - 4. health and human services
 - 5. education
 - 6. labor
 - 7. administrative models
 - 8. transportation and facilities
 - 9. revenue
 - 10. agriculture
 - 11. fish and game

Mission IV. Create new, practical effective models for interpreting and selling Alaska's unique resources and services to/for the world.

- A. Integrative model for rural/developing/Arctic (ARDOR; "Dutch Harbor")
- B. Integrative model - rail/road/air/port/distribute (Fire Island; Nome/Siberian connection)
- C. Integrative model - recreation/wilderness/tourism (Prince William Sound; Denali Park; Kenai River; Homer; Inland Passage/maritime highway)
- D. Institute of the North - (Bob Henning; Arctic Comm., UofA, APU)
- E. Native Cultural Center - (CIRA, AFN, tourism)
- F. Innovation in 21st Century technology:
 - 1. Energy: Alternatives
 - a. rural generation/efficiency/alternative source
 - b. solar/hydro/tidal/geothermal/biomass/wind
 - c. satellite delivery systems
 - 2. Space
 - a. Polar Fleets - launching-satellite-NASA
 - b. experimental models - total environment control
 - c. city at North Pole - communications surveillance - environmental monitoring earth
 - 3. Seas
 - a. marine structures - city designs
 - b. aquaculture - farming seas
 - c. sea floor mining and technology development
 - d. port development - modular interface/railroad/water (Anchorage, Valdez, Juneau, etc.)
 - e. ship building/counterpart fishing fleet development and repair (collaborate Norwegians and Koreans - replace Seattle (S.E. - abandoned Coast Guard facilities; Dutch Harbor; Arctic technology; Unalakleet-Norton Sound; Little/Big Diomedes; St. Lawrence Island)
 - 4. Arctic Agriculture
 - a. geothermal, hot springs, reinforcement land of midnight sun
 - b. experiment growing season rhythms - new species (see Yul Kilcher)
 - c. kitchen garden/greenhouse growing effect
 - 5. Housing
 - a. new forms material and design - modular delivery - economic/energy efficient/waste and water cycling
 - b. dyamaxon internally integrated systems (village communal services - resident and satellite)
 - 6. Transportation
 - a. new forms slurry combustion engines, economic, efficient, environmentally sound
 - b. experimental vacuum design with MIT
 - c. ice-mobiles - cargo and tourists - see the north - as new habitat

Mission IV. (cont.)

7. Communications
 - a. low orbit satellite systems - direct linkage - global delivery
 - b. star war commercial spin off (Generals Browan and Kozmelsky)
laser technology in energy transmission (energy as unit of "information")
 - c. data base and data delivery systems regarding uniquely Alaskan setting
 - (1) Arctic
 - (2) polar linkage - Europe/America/Asia

8. Social Invention
 - a. indigenous spiritual/holistic culture - integrated modern, technical society (one land/one people/unity in diversity)
 - b. integrating east/west and north/south dialogue
 - c. integrating rural/urban educational systems; public/private models of cooperation and support
 - d. new forms of private/public partnership - "owner state" and private enterprise
 - e. new forms of "capital formation" - beyond barter and money to new forms of "exchange"

9. Trade and Commerce
 - a. new forms of cross cultural and cross continent collaboration
 - b. new forms of "financial" institutions, exchange, and monetary system modification

10. Tourism/Recreation/Education
 - a. new concepts and settings for a unique "Alaskan experience"
 - b. new environments for travel/learning/living
 - (1) Prince William Sound
 - (2) Denali Park
 - (3) Inland Passage
 - (4) ANWAR/Brooks Range, Arctic
 - (5) Bering connection - linking N.A. and Asia
 - (6) other
 - c. visions of the new frontier
 - o explore - untapped frontiers - culture - ecosystems - wilderness - wonder

11. Waste
 - a. new technologies of use, recycling, transformation, disposal
 - b. unique requirements of north invite new innovation
 - c. new industries for transforming and utilization of weaponry
disarmament agreements and disposal (U.S./U.S.S.R.) especially where we meet - Siberia/Alaska
 - d. deep freeze structures, storage, prolongation, new food stocks, etc.

Mission V. International Trade?

OBJECTIVE	PRESENT PROGRAMS AND RESOURCES	PROGRAM	PERSONNEL	RESOURCES	FUTURE
I. <u>Climate:</u>	<u>Lines:</u> Banking Services Insurance Services Administrative Services Licensing <u>Sectoral Services</u> (other agencies) <u>Agencies:</u> APUC Oil & Gas Commission AEA ASHA AIDEA ATMC ASMI AASA				
II. <u>New Opportunities:</u>					
III. <u>Infrastructure:</u> Private/public partnership					
IV. <u>New and Effective Models:</u> Alaskan/integrative/marketable					

FOPMAT

1991

1992

1993

1994

BEYOND

Program Projection

Resource Requirement

Sources of Support

SCENARIO

(One pager: By 1994 Alaska will have, be, do measurable and immeasurable/particularized and dollarized

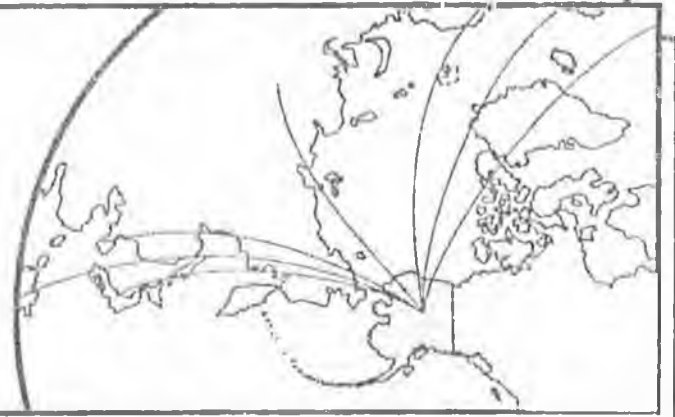
CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

SCENARIO

(One pager: By 1994 Alaska will have, be, do measurable and immeasurable/particularized and dollarized

ALASKA INTERNATIONAL TRADE DIGEST



Vol. 3, No. 2

Governor's Office of International Trade

October 1990

Steve Cowper, Governor

Robert Poe, Jr., Director

Cooperation in a Changing World: The Northern Regions Conference in Alaska

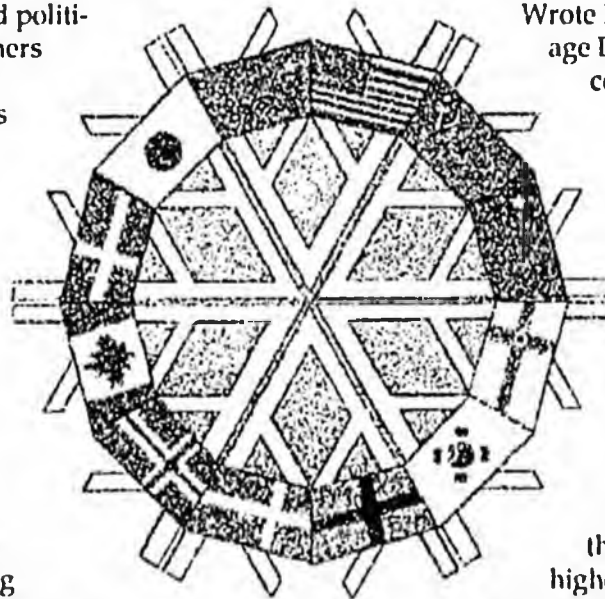
Hundreds of international leaders from 10 different nations gathered in Anchorage last month, mapping out strategies for cooperation among the Arctic regions and establishing a permanent secretariat to give the region a collective voice.

The gathering — the Third Northern Regions Conference held from September 16-20 — offered political leaders, top businessmen and others the opportunity to pull the region's diverse and often antagonistic voices together on issues ranging from trade ties to security concerns to indigenous people's rights. It also offered an opportunity for the "Wise Men of Arctic Affairs" — Terence Armstrong, George Rogers and Graham Rowley — to connect with the younger, emerging leaders from the Soviet Union, Japan and other Arctic nations.

"The Third Northern Regions Conference — Cooperation in a Changing World — was a blockbusting success," noted Anchorage international lawyer/columnist Tony Smith.

The conference, organized by The Northern Regions Conference Non-Profit Corporation, attracted 552 international and national guests. The distinguished group included 23 regional governors attending a two-day summit on "Models for Environmental Cooperation" and 165

international business leaders who issued a list of recommendations for developing trade relations in the Arctic through the use of Asian and European capital. Some 200 participants also joined the conference's Political and Social Workshop Sections.



Wrote Howard Weaver, editor of the Anchorage Daily News: "Whatever else was accomplished at the Northern Regions Conference in Anchorage last week, one message should ring out clearly: Alaska is fully capable of hosting a complicated, multinational assembly."

Ideally, a conference is a forum that allows people to explore topics of mutual interest. This conference offered such an opportunity, particularly given the nature of the Soviet delegation. The caliber of individuals brought together for the Anchorage venue represented the highest ranking-group of Soviets to visit the West Coast of the United States since Alaskans and Soviets began gingerly testing the limits of *perestroika* in 1988.

Alexander Khomyakov, First Deputy of Economic Ties for the Russian Federation, led a sixty-three member Soviet delegation that included governors from six Soviet territories, including the radical, market-oriented governor of Sakhalin Island, Mr. Federov, as well as a top KGB administrator responsible for border guards on the edges of Soviet territory. Soviet interest in the conference focused predominantly on the International Business Forum and the establishment of a permanent Northern

Inside . . .

Director Poe's Message	2	Trade Lead Bulletin	8
Korea Tourism News.....	3	Seasonal Tourism	9
Air Route Update	4	Trade Shows.....	10
Gov. Cowper's Report	6	Alaska-Canada Trade.....	11

(see NRC page 5)

Alaska International Trade Digest

is a publication of the Governor's
Office of International Trade.

Alaska International Trade Digest provides Alaska businesses, government officials, and foreign interests with information on Alaska markets, foreign markets, trade leads, country profile information and office activities. This publication is paid for by the Office of International Trade.

Editor, Lay out & Design
Bennett Brooks

Vol. 3, No. 2October 1990

Staff of the Office of International Trade

Robert Poe, Jr., Director

Anchorage Office

3601 C Street, Suite 798
Anchorage, Alaska 99503
(907) 561-5585, FAX (907) 561-4577

Giinna Brelsford, Trade Specialist
Bennett Brooks, Trade Specialist
Tami Calvo, Administrative Asst.
Katelyn Carrigan, Trade Specialist
Lisa Curtis, Special Projects
Sue Kinney, Secretary
Leola Weimer, Trade Specialist

Tokyo Office

1-40, 4-chome, Toranomon
Minato-ku, Tokyo 105
(81)-3-436-5285, Fax 436-5039

Kazunaga Hayashi, State Rep.
Mariko Kuroda, Market Specialist
Kimiko Muguruma, Secretary

Seoul Office

Kyobo Bldg., Suite 2112
1, 1-ka, Chongro, Chongro-Ku
(82)-2-734-3381, Fax 734-3382

Kyung Sun Yang, State Rep.
Kyong-Suk Kim, Assistant Rep.
Sung Hee Wang, Secretary

Taipei Office

7th Fl., B-16, Taipei World Trade Cntr.
5, Hsin Yi Road, Sec., 5, Taipei, Taiwan
886-02-723-1882, Fax 723-1897
Li Chen, State Representative

A Message from Director Robert Poe, Jr.

• An Economic Forecast for Alaska •



Every two months I receive a complimentary report from the investment banking firm of Goldman Sachs on the current business climate for the United States. Generally these reports guide the reader on investment decisions, offering such tips as the wisdom of buying common stocks versus bonds. The current edition, however, takes a different approach, focusing instead on the 1991 business outlook for America. The prognosis? In a word: stagflation. Current economic trends, according to the magazine, point to high inflation, stagnant economic growth and significantly reduced corporate profits. These trends are predicted even if the price of oil falls back to \$25 per barrel in 1991. It's probably no surprise to Alaskans that this report does not reflect the economic picture for Alaska. As usual, the Lower 48 states are generally unaware of any economic activity in Alaska.

The economic forecast outlined in the Goldman Sachs report does not come close to approximating the future of the Alaskan economy. Indeed, the trends seen in Alaska's vital economic statistics could not be more different. Key indicators, for example, detail a tripling of Alaskan exports since 1986 and they show the highest level of employment in the history of the state. Federal Express, the air freight giant, has completed in two years expansion plans that they had considered stretching over five to seven years. The plans have direct and important effects in Alaska. Federal Express now directly employs 600 Alaskans; indirectly, the firm's growth here means perhaps another 300 to 400 jobs. United Parcel Service (UPS), meanwhile, recently received approval to fly a new cargo route to Japan, and the firm has just opened a new facility in Anchorage. Clearly, the air freight industry in Alaska has undergone a dramatic change. In fact, exports leaving Alaska via air cargo have increased by more than 500% over the last year alone. And there is more. Alaska Airlines has received approval for its proposed air route to Magadan and Khabarovsk. Dutch Harbor has received literally hundreds of millions of dollars in outside investment over the last year. And, in what perhaps is the most unbelievable trend, the once empty strip-malls in Anchorage and Fairbanks are now filling up.

One negative phrase I don't hear much anymore is, "International trade is nice, but it will never replace oil." Oil is very important to Alaska. This point is indisputable. But the gains in international trade — Alaska's annual exports by the end of 1990 are projected to reach \$3.7 billion, up a staggering 200 percent from 1986 levels — are not to be downplayed. The growth in international trade is one of the reasons Alaska's economic forecast is looking so strong. None of the positive indicators for Alaska shows signs of being affected negatively by the current high price of oil.

Maybe it's a good thing that those folks down in the Lower 48 are largely unaware of the economic activity in Alaska. Because, once Alaska's bright economic future is known, the migration back to our state will dwarf the out-migration witnessed in 1986 and 1987. For now, however, those Alaskans who survived the "lean times" are well-positioned to benefit from the state's strong economic foundation they helped to build.



Alaska Delegation Woos Korean Tourism at Seoul Trade Fair

Alaska once again participated in Korea's major travel fair, grabbing the attention of thousands of visitors and winning an award for "Sales Promotion Excellence."

The fair — the 1990 Korea World Travel Fair (KOTFA) held September 6-9 in Seoul — is the premier overseas travel industry event in Korea. This year's show attracted 92,000 visitors, including 3,600 travel industry representatives. More than 200 booths were set up by displayers.

"KOTFA is the only significant national travel show in Korea that attracts destination organizations from throughout the world," said Dana Brockway, director of Alaska's Division of Tourism. "Our presence at KOTFA sets us apart from other U.S. destinations. The meetings held and contacts made as a result of KOTFA were invaluable for the Alaskan tourism industry."

Tom Luce, sales representative for Gray Line of Alaska, agreed: "Working under the umbrella of the state agencies gives us an excellent platform to promote the services we can provide once a Korean tour company makes a commitment to come to Alaska. KOTFA is an effective promotional tool for us."

Alaska's booth — sponsored by the Division of Tourism, the Office of International Trade and Gray Line of Alaska — offered the state the opportunity to further educate the Korean traveler about tourism in Alaska. This is the third consecutive year Alaska has had a display at KOTFA.

"When I first visited Korea for a tourism promotional event, most questions related to how cold Alaska was and if we had snow year round," said Katelyn Carrigan, trade specialist with the Office of International Trade.

"However, at KOTFA '90, many people who visited the Alaska booth already knew about Alaska and told me they had heard about the big fish and large bears in Alaska."

The importance of tapping into the Korean market should not be underestimated. Last year, roughly 1,000 Korean tourists traveled to Alaska for their vacations. The potential for more is vast.

In 1989, when the Korean government lifted all travel restrictions, the number of travelers heading overseas increased 67.3 percent to 1,213,112; nearly 40 percent of that total was pleasure travel. The trend has continued during the first half of this year, with overall travel up 32.2 percent. And the

Ministry of Transportation expects the annual growth to continue until 1999, when approximately 5.4 million Koreans are likely to travel abroad.

"It is a remarkable figure that reflects the potential for record making history in the travel and tourism market worldwide," said Chairman U.S. Chung of Seoul Travel Service, Ltd. in an article for a KOTFA paper.

Currently, 50 percent of all Koreans traveling overseas head for Japan. Another 25 percent select other destinations in Asia. The question for Alaska is: How to convince Korean travelers to visit Alaska? Tourism officials have several suggestions:

(see Travel Fair page 9)

Korean Journalists Tour Alaska, Air Documentary Back Home

A recent trip by Korean television and print journalists to Alaska appears to have paid off, generating favorable coverage in Korea and sparking new interest in the state.

"The television coverage Alaska received on Korean Broadcast System (KBS) was invaluable," said K.S. Yang, Alaska State representative in Korea. "We had to employ a temporary person in the office just to handle the calls regarding Alaskan tourism."

In August, nine Korean journalists, including a team of four reporters and producers from KBS, visited Alaska on a familiarization tour sponsored by the Alaska Division of Tourism, the Office of International Trade and Superstar Travel Service of Seoul, Korea. Superstar provide free air-fare to Alaska for

the journalists and K.S. Kim of the Alaska State Seoul Office.

While in Alaska, the journalists toured the state on the same six day/ five night package sold to Korean tourists by Superstar Travel. They visited Anchorage, Portage Glacier, Alyeska Resort, Kodiak, Columbia Glacier and Valdez. Once the tour ended, the KBS journalists stayed in Alaska an additional four days to continue filming in Anchorage, Juneau, Admiralty Island, Kotzebue and the Matanuska-Susitna Valley.

The journalists' impressions quickly made it onto the airwaves. Each day over a five-day period on Korea's equivalent of "Good Morning America," a ten-minute section on Alaska was featured.

(see Korean Journalists page 8)

Alaska-Soviet Air Link

Alaska Airlines has won tentative approval from the U.S. Department of Transportation to operate passenger flights between Anchorage and the Soviet Union. The service, if approved, will be the first regularly scheduled flights between Anchorage and the Soviet Far East.

According to plans submitted by the airline, the company intends to operate three flights per week from Anchorage to Magadan and Khabarovsk. The regularly scheduled flights, to be operated during the summer months only, are expected to start June 17 and end 10 weeks later, said Alaska Airlines spokesman Lou Cancelmi.

"We're dipping our toes in right now," said Cancelmi of the groundbreaking venture. "We're going to be creating a market there."

According to Cancelmi, the majority of seats are expected to be devoted to passengers traveling to the Soviet Union on tour packages put together by Alaska Airlines. He added that the air carrier anticipates flying 135-seat jets on the trans-Pacific route. Pricing of the flights and tour packages is still being determined, Cancelmi said.

Alaska Airlines has been pursuing approval of the Anchorage-Magadan-Khabarovsk route for two years. Alaska Airlines was the only U.S. carrier bidding for the route. Said Cancelmi: "The biggest hurdles have been conquered now."

Federal Aviation Administration officials in Anchorage say the new flights will require no special changes in existing regulations. Some efforts, however, will likely be needed to ensure that Soviet airports meet U.S. security standards, FAA spokesman Paul Wegrzyn said. •

UPS Wins Lucrative Anchorage-Japan Route

Decision Boosts Area Image as Air Cargo Hub

United Parcel Service (UPS) has won final approval to begin flying the lucrative air cargo route between Anchorage and Japan.

In a U.S. Department of Transportation ruling handed down in late August, UPS received permission to fly six Anchorage-to-Japan routes each week. The Japanese Ministry of Transportation signed off on the agreement in early October, giving its okay for UPS to begin trans-Pacific flights of its Boeing 747 as early as October 1.

The ruling spells good news for both UPS and the State of Alaska. For UPS, the ruling secures the firm an essential niche in the air cargo business to Asia. In addition to UPS, only Federal Express and Northwest are permitted to fly freighters between the U.S. and Asian markets.

"We're ecstatic," said Tom Leonard, UPS Alaska division manager. "We're one of the very few cargo carriers that have landing rights in Japan. There are a very select few who can go in there. It's a great market."

For Alaska, the ruling means jobs and the further establishment of Anchorage International Airport as an essential hub in the international air freight market. UPS is expected to hire about 100 new employees to handle the cargo and small packages expected to be shipped between Japan and the U.S. That number could increase still further if UPS decides to hire customs and brokerage clearance employees, Leonard added.

According to Leonard, UPS will handle the cargo out of its new 30,000-square-foot, \$10-million cargo-handling facility opened October 9. Leonard said UPS also is looking at long range plans that may call for another \$15-million addition to its facility. Further expansion depends on the economy and other factors, he added.

The new cargo route became available as a result of a bilateral aviation agreement reached between Japan and the U.S. last November. Emery Worldwide also sought the route, proposing to fly between Fairbanks and Japan. Department of Transportation officials apparently favored UPS's greater freight capacity, its ability to deliver goods quickly and its stronger market outlook.

"(UPS) will afford more public benefits to U.S. shippers, forwarders and other consumers in the U.S.-Japan air cargo market," the Department of Transportation said. The new UPS service links the carrier's hubs in Louisville, Kentucky; Ontario, Canada; and California with Anchorage.

The new route is likely to boost UPS's annual spending in Alaska from roughly \$7 million to \$16 million, Leonard said. The additional money will be spent primarily on salaries, airport landing fees, fuel and various taxes, he added. •

"We're ecstatic," said Tom Leonard, UPS Alaska division manager. "We're one of the very few cargo carriers that have landing rights in Japan. There are a very select few who can go in there. It's a great market."



NRC...(continued from page 1)

Regions Forum. The Russian Federation was especially interested in the regional cooperative orientation of the Third Northern Regions Conference. The gathering allowed Soviet participants time to make deals, sign protocols and meet with fellow northerners and Asians with an eye toward soaking up information and deals on market economics and democratic systems.

The impressive Soviet delegation was complemented by an equally distinguished gathering of Chinese leaders from Heilongjiang Province and Beijing and Japanese leaders from Hokkaido Island. Canadian leaders from the Northern Provinces and the capital of Ottawa joined old Arctic hands from the U.S. and Scandinavia.

"A momentous gathering," commented Richard L. Walker, former ambassador to Korea and adviser to Alaska Governor Steve Cowper.

As Gov. Cowper noted in his welcoming address, only time will tell whether the conference was successful in helping participants to view one another more as partners and friends in regional cooperation and less as pieces in a diplomatic game of chess. Some successes, however, are already apparent and noteworthy:

- The establishment of a permanent secretariat for the Northern Regions Conference. The secretariat, agreed to by the key government leaders attending the conference, is to conduct ongoing advocacy and research work on northern models of cooperation in economics, science and technology.

- A statement of intent signed by the governors that calls on the Arctic nations to move beyond traditional bilateral efforts and push for true regional cooperation on issues of shared importance. As part of the statement notes: "The states, provinces, territories, counties and autonomous regions of the North share common concerns

regarding environmental protection, economic well-being and the appropriate role of regional governments in decision-making which affects the North."

- The signing of protocols and memorandums of understanding. Ainu leaders from Japan wishing to return to Soviet-controlled Sakhalin Island signed a Memorandum of Understanding with Soviet leaders that aims to facilitate the reunification of the Ainu people. As well, eight

business people from the U.S. and Soviet Union negotiated a protocol that agrees to assess the technical and economic feasibility of using Soviet icebreakers to punch a northern sea route for Pacific to Atlantic trade.

Northern Regions Conference staff are currently compiling a summary of conference proceedings. If you have any questions or comments, please contact the NRC office in Anchorage at 561-2260. •

The Northern Regions Board of Directors would like to recognize the following organizations for their endorsement and support of the Third Northern Regions Conference.

*Alascom
Alaska Airlines
Alaska Center for International Business
Alaska Science and Technology Foundation
Alaska State Chamber of Commerce
Anchorage Convention and Visitors Bureau
ARCO Alaska
Arctic Research Commission
Central International Law Firm
Coopers and Lybrand
Federal Express
Fletcher School of Law and Diplomacy - North Pacific Program
Fridtjof Nansen Institute
Hokkaido Island Governor's Office
Industry Science and Technology Canada - Yukon Region
Institute of Geography of USSR - Academy of Sciences
International Union for Circumpolar Health
Inuit Circumpolar Conference
North Slope Borough
Norwegian Polar Research Institute
Province of British Columbia
State of Alaska - Governor's Office
State of Alaska - Office of International Trade*



Cargo Jets, Soviet Relations and Glacier Water:

BOTTLED ALASKAN glacier water in Japan. A new state office in Taiwan. Jets carrying international cargo in and out of Anchorage. Sister-state agreements with the Soviets and others. A tripling in exports abroad.

The last four years have seen great change — and great progress — in Alaska's bid to strengthen its presence in international trade.

From Magadan to Tokyo to Taipei, the state's efforts to promote its products abroad and attract foreign investment here have matured dramatically.

Today, small Alaskan firms are tapping overseas markets to push their products. Anchorage is emerging as a key link in the world's air cargo network. High-level trade delegations between Alaska and the U.S.S.R. are strengthening our ties with the rapidly changing Soviet Union. And annual Alaskan exports abroad are nearing the \$3-billion mark.

International Trade as Solution

Four years ago, the picture was not so bright. Alaskan potential in international trade was obscured by a severely troubled economy. Oil prices and real estate values were down, the state budget deficit and unemployment were up, and Alaska was on the verge of a deep economic depression. Action was needed.

After taking office, this Administration immediately turned its attention to international trade as a way to boost and diversify the state's economy. One of my first acts as governor was to transfer the Office of International Trade (OIT) from the Department of Commerce and Economic Development and into the Office of the Governor. The move was designed to send a

our state's trade with the increasingly important European market has grown more than 400 percent, from \$16 million in 1986 to \$85 million in 1989.

Small Firms Tap Overseas Market

Such gains translate into badly needed jobs for Alaskans. According to a U.S. Department of Commerce formula, each \$1 billion in exports generates about 8,000 jobs in Alaska. That means at least 20,000 Alaskans have jobs directly related to international trade, an increase of more than 10,000 positions since 1986. In per capita terms, exports are more important to our economy than to any other state.

Such numbers are important, but they hide the individual success stories that have contributed to the state's international trade gains. With the encouragement of OIT, dozens of small businesses have taken their

home-grown creativity and marketed it abroad. Attakiska Vodka, Chinook Beer and Indian Valley Reindeer Sausage are just some of the many examples. Other firms — particularly in the seafood industry — have taken steps to produce value-added specialty items.

Just as exciting is the rapid emergence of Alaska as a major air cargo hub. Both Federal Express and United Parcel Service have established world-wide cargo handling facilities in Anchorage; Lufthansa has set up



Governor Lou Pomeroy and Russian Republic officials at signing ceremony for trade and scientific/cultural exchange agreement, Moscow, May 1990.

signal: Alaska was serious about international trade.

It worked. Over the past four years, Alaska has risen to the challenge and promise offered by international trade. Consider some of the successes.

In the first six months of 1990, Alaskan exports totaled \$1.55 billion — up sharply from the \$522 million exported in the first six months of 1986. Exports of fish, timber and minerals are all up. Though Asia continues to be the primary importer of Alaskan products,



The Maturing of International Trade in Alaska

by Gov. Steve Cowper

similar facilities in Fairbanks. And this is just the beginning. With Alaska's proximity to Asia, Europe and the U.S. East Coast — and with the recent designation of Free-Trade-Zones in Anchorage and Fairbanks — the state's strategic location is certain to generate still more business.

New Ties to Soviets, Others

There are also successes in the arena of international relations — gains that will play an integral role both in developing long-lasting trade partnerships and in expanding Alaska's economic base.

In the past year, for example, the state of Alaska opened a trade office in Taiwan and signed an economic cooperation agreement with British Columbia. Both moves are certain to increase opportunities for trade and tourism. We also have signed trade agreements with Taiwan, Korea and Japan, and established sister-state relations with Taiwan and Heilongjiang Province in China.

But perhaps the most dramatic steps have been taken in relations with the Soviet Union. In June 1988, we reopened the historic gateway between Alaska and the Soviet Union with the Friendship Flight from Nome to Provideniya. In October 1988, Alaska signed a sister-state agreement with Khabarovsk Territory — the first ever agreement between the Soviet Union

and a U.S. state. And just last month, the Soviet Union was one of 11 nations participating in the Northern Regions Conference hosted in Anchorage.

The improved relations will undoubtedly mean business opportunities for Alaskan firms. In fact, many Alaskan businesses are already establishing trading ties with Soviet counterparts

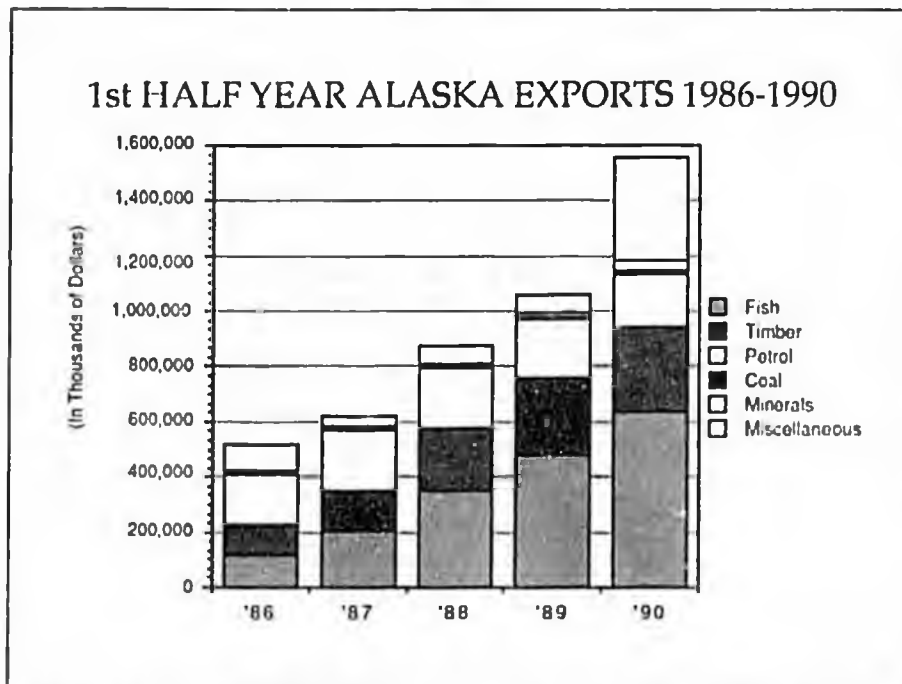
and a U.S. state. And just last month, the Soviet Union was one of 11 nations participating in the Northern Regions Conference hosted in Anchorage.

New Gains Require Effort

In our relations with the U.S.S.R., Alaskan government and business must work together to help Soviet society and its economy incorporate the principles of democracy and capitalism. Elsewhere, we must work to further diversify and strengthen the Alaskan economy. Just-in-time inventory, increased tourism and new relations with Europe are just some of the areas the state can look to next.

But these moves will not come without hard work and an eye to the future. Our relations with the Soviets — like our gains in international trade — must be nurtured in the years ahead. Ties to overseas governments and firms must be maintained from year to year and administration to administration if Alaska is to continue benefiting from its unique locale.

Alaskan firms from Alaska Wilderness Gourmet to Alaska Seafood to Yukon Pacific are using their energy, creativity and resources to actively pursue the benefits of international trade. They have brought billions of dollars in business and thousands of jobs to Alaska. They promise to bring still more in the future. Their efforts — and the momentum generated in the past four years — deserve our continued support. *



Alaska's exports have more than tripled since Gov. Cowper took office in 1986. The above chart compares Alaskan exports for the first six months of each year.

and, in the long run, I am optimistic that many more deals will be forged. But there is more to our relations with the Soviets. Children from both countries attend each other's schools. Scientists exchange valuable information on subjects ranging from health problems to fisheries management. Native people can now travel freely across the Bering Strait. Artists share not only their art, but their creative energy as well.

Such changes are impressive and important. They have had an impor-

Trade Lead Bulletin

Export Trade Leads

JAPAN

Technoimpex Corporation

Mr. Y. Toyama
39-307 Yashio 5-chome 6
Shinagawa-ku, Tokyo 140, Japan
Tel: 03-799-0534
Fax: 03-799-9553
Tlx: 2427565

Trading firm interested in importing frozen yellowfin sole (whole), frozen or dressed Alaska pollock, frozen rock fish (whole) and frozen Alaska pollock surimi.

Sawa Shoten

Mr. Toshio Sawa, President
1347-3 Takamiya-cho
Hikone-shi, Shiga-ken 522-02, Japan
Tel: 0749-221-175
Fax: 0749-221-175

Seafood wholesaler interested in purchasing live hair crab.

Aburai Kabo Co., Ltd.

Mr. Yutaka Uchikawa, Marketing Manager
3-12-13 Shinhamacho
Shiogama-shi, Miyagi-ken, 985, Japan
Tel: 022-364-3733
Fax: 022-364-3755

Japanese firm interested in Greenland turbot, rock sole, rex sole, flathead sole, arrow-tooth flounder, black cod, Pacific cod, Pacific Ocean perch and rockfish. All frozen.

KOREA

Mackerel Imports Needed

Korea is looking to import roughly 2,000 tons of frozen mackerel to offset a poor catch by domestic fisherman. The ruling, handed down by the National Fisheries Administration in Korea, permits the additional imports through the end of December. For further information, please contact Bennett Brooks, with OIT, at 563-8226.

Beom Bu Trading Co., Ltd.

Mr. Yong Sung Kim, President
Tongjin Building, 5th Floor
#218, 2-Ka, Hankang-Ro, Yongsan-Ku
Seoul, Korea
Fax: 02-796-2792
Tel: 02-797-6248/9
Korean trading firm is interested in importing Pacific cod and other fish from Alaska.

New Star Trading Co.

Mr. Y.D. Kim
16-1, Noryangjin-Dong
Dongjak-ku
Seoul, Korea
Fax: 02-815-7221
Tel: 02-813-7220
Korean trading firm interested in importing fresh Alaskan salmon. Also seeks 5,000- to 15,000-square-foot cold storage facility near Anchorage International Airport.

Kaiser Trading & Consultant Corp.

Mr. Don-Kwan Choi
K.P.O. Box 1867
Seoul, Korea
Fax: 02-242-8678
Tel: 02-247-6607
Telex: TSAMC K33304
Company interested in metal transformers, metal (steel) scrap exports and non-ferrous metal scrap exports (copper, aluminum).

TAIWAN

Seapro Co., Ltd.

Mr. Sirius Lin
14F-2, No. 6, Lane 144
Minchuan W. Road
Taipei, Taiwan
Fax: 886-2-523-0662
Tel: 886-2-523-0272
Company interested in importing Alaskan fish, most notably Pacific salmon and halibut. Interested in both fresh chilled and frozen.

Contact OIT at 561-5585
for additional information.

Korean Journalists...(continued from page 3)

The spots — promoting Alaska as a prime tourism destination — highlighted fishing, shopping, glaciers, and native and Eskimo cultures. Viewers were treated to shots of a 70-pound halibut being landed off Kodiak Island and bears playing at Pack Creek on Admiralty Island. They also learned of the availability of reindeer antler — highly appreciated in Korea for its medicinal value — and they had their impressions of Alaskan weather challenged.

"It was very surprising to many Koreans to see people in bathing suits water-skiing at Big Lake," said K.S. Kim, an assistant representative in the Seoul office. "Many people in Korea still believe Alaska is covered with ice and snow year round."

KBS was equally impressed with the reaction to the show, suggesting they would like to visit again next year. Said Seong Kyu Park, a KBS producer: "Until I visited Alaska myself, I had no

idea of the size of Alaska. I wish we could have stayed another two weeks to film Alaska more thoroughly."

K.S. Yang agrees with the wisdom of a return trip. Said Yang: "The articles and television coverage Alaska received following the journalists' trip to Alaska would be too expensive to purchase in the form of advertisements. And the advertisements could not provide information in such detail." •



Alaskan Travel Industry Looks to Boost State's Seasonal Tourism

by Sally Suddock, Alaska Tourism Marketing Council

The Alaska Tourism Marketing Council (ATMC) is spearheading the state's first industrywide effort to create and promote seasonal tourism in Alaska.

Working through a committee chaired by Anchorage Convention & Visitors Bureau President Bill Elander, the ATMC is sponsoring an industrywide conference November 19-20 in Anchorage to develop a range of tour packages designed to attract "off-season" visitors to Alaska.

The conference — a follow-up to an April 1990 study — has two goals: 1) to create a definitive inventory of events, facilities, attractions, lodging and transportation options during the off-season; and 2) to take the first steps to form specific packaged tours that could be offered in the fall, winter and spring of the 1991-92 season.

According to Alaska Division of Tourism Visitor Statistics Program estimates, just 13 percent of the state's 435,300 tourists in 1988-89 visited between October and March. Industry experts cite several reasons for the low numbers.

One hurdle, they say, is the lack of cruise and cruise-tour operators during the off-season; most operators head south at the end of the summer. The dearth of marketing campaigns aimed at the off-season traveler also hurts. Potential visitors stay away, unaware of Alaska's tourism possibilities in these months and misinformed about the state's wintertime temperatures.

Much of the solution, the experts suggest, lies in putting together packages that appeal to likely off-season tourists — individuals considerably younger and more adventurous than

the typical 54- to 57-year-old visitors who tour the state in the summer. The ATMC study in particular highlighted the gains to be realized by targeting certain international markets.

Scandinavians and Northern Europeans, for example, could be lured to Alaska for the state's excellent snow

The dearth of marketing campaigns aimed at the off-season traveler also hurts. Potential visitors stay away, unaware of Alaska's off-season tourism possibilities and misinformed about the state's wintertime weather.

conditions — an important selling point due to Europe's inconsistent snowfalls in recent years. Tour packages, the study suggested, could include cross-country skiing, downhill skiing, dog mushing and Native culture.

Japanese travelers — enthralled by the

northern lights and attractions such as the Interior's hot springs — could be tempted with upscale, guided tours selling the state's natural wonders, the study said. Finally, according to the report, packages promoting wilderness telemark skiing, snowmachining and other more adventurous activities could be marketed to German tourists.

The ATMC is hoping the conference will attract representatives from all facets of Alaska's travel industry — tour companies, transportation firms, lodging operators and the government/non-profits that manage lands and public facilities throughout the state.

Further information on the conference can be obtained from Sally Suddock, conference coordinator, at 719 E. 11th Ave., Anchorage, 99501; 907-272-7500. The conference will be held at the Egan Center in Anchorage. The registration fee is \$25. *

Travel Fair...(continued from page 3)

- Highlight Alaska's comfortable summer temperatures. Summer brings hot and humid weather to the Korean peninsula. Alaska offers relief from the heat.

- Push Alaska's outdoor beauty. Many Koreans have a great attraction to Alaska's mountains, streams, glaciers, and wildlife. Alaska's natural strengths must be stressed.

- Publicize Alaska's large Korean population. Alaska has the greatest per-capita concentration of Koreans in the U.S. This means tours can be crafted to meet Korean travelers' needs,

such as offering Korean-speaking guides and Korean food.

- Promote inexpensive package tours. Many Koreans join associations formed around shared interests, such as fishing or cards; many also travel abroad in these same groups. Lower-priced tours organized around particular interests would likely attract these associations and erase many Koreans' fears that overseas travel is prohibitively expensive.

Alaska's image in Korea is strong. With state and private sector efforts, Alaska can hope to increase its share of Korean visitors in the years ahead. *

Alaskan Firms Again Heading to FOODEX Japan

Eight Alaskan firms will be heading to Japan next March, looking to showcase their Alaskan-made food and beverage products at Asia's premier food exhibition.

The annual show, FOODEX Japan, regularly attracts thousands of exhibitors and visitors. Last year's show — the 15th annual — drew nearly one thousand exhibitors from 41 countries and more than 80,000 visitors. The Alaskan firms participating last year all placed sales through contacts made at the show.

At the 1991 show, to be held March 12-16 outside Tokyo, the Alaska State Office Tokyo will underwrite and staff three booths and work with the Alaskan firms paying \$1,000 each to participate in the exhibit. The Alaskan firms are: Alaska Wild Berry Products, Trapper Creek Smoking Co., Wetco Inc./Alaska Mountaintop Spirits Co., Alaska Wilderness Gourmet Inc., Alaska Herb and Tea Co., Alaska Company Inc., Silver Lining Seafoods and Independent Cordova Alaska Fish Co.

Kaz Hayashi, Alaska State representative in Tokyo, said of FOODEX: "This fair is very important, not only among Japanese businesses but also other Asian firms. FOODEX plays a key role in establishing food marketing trends in Japan for the next year."

The show offers foreign companies important access at a time when Japan is taking steps to increase its imports. Japan's yearly food imports from the U.S. increased 15 percent in 1989, according to Japanese figures.

Among the Alaskan products to be showcased are: smoked salmon, honey, chocolates, vodka, jams and jellies, jerky and glacier water. •

INTERNATIONAL TRADE SHOWS



HONG KONG

April 4-7

INTERNATIONAL FITNESS & HEALTHCARE EXHIBITION, to be held at Hong Kong Convention & Exhibition Centre. Opportunity to display natural products and services in areas of nutrition, fitness, beauty. Contact Miss Edza Li, Gardner-Caldwell Communications, Hong Kong, 543-5922, or Bennett Brooks, OIT, 563-8226.

May 23-26

INVESTMENT & TRADE '91, the 2nd international forum aimed at bringing together industrialists, investors and entrepreneurs from Asia and the world. For more information, contact Mr. Stanley Chou, Hong Kong, at 852-892-0511, or Bennett Brooks, OIT, 563-8226.



JAPAN

March 12-16

FOODEX JAPAN '91. The largest exhibition in Japan for food and beverage. Over 80,000 domestic and international food industry visitors expected. Contact: Bennett Brooks, OIT, 563-8226.

Nov. 22-25

KOBE IMPORT FAIR, to be held at the Kobe International Exhibition Hall. Show organized by the Kobe City government. For more information, contact: Kobe Import Fair Council, 078-331-8181 (phone) or 078-322-6073 (fax), or call the Alaska State Office Tokyo.

Jan. 18-21

TOKYO INTERNATIONAL ART SHOW, at the Tokyo International Trade Center. Organizers expect 300 participants from 25 countries and 100,000 visitors. Contact: TIAS Secretariat, c/o Art Press Center Inc., 03-448-0511 (phone) or 03-442-1610 (fax), or call the Alaska State Office Tokyo.



SINGAPORE

Sept. 25-28

THE 5TH ASIAN INTERNATIONAL FOOD PROCESSING & PACKAGING EXHIBITION & CONFERENCE, to be held at World Trade Centre, Singapore. An exhibition targeted exclusively at buyers, specifiers and distributors of food processing and packaging equipment. For more information, contact: Eileen Lavine, U.S. representative, 301-656-2942, or Bennett Brooks, OIT, 563-8226.



TAIWAN

June 23-27

THE THIRD TAIWAN INTERNATIONAL BEST FOOD PRODUCTS & EQUIPMENT FAIR '91, to be held at TWTC Exhibition Hall, Taipei. Last year's show attracted more than 150,000 visitors. Contact: Bennett Brooks, OIT, 563-8226.



UNITED KINGDOM

Apr 28 - May 2

THE 7TH INTERNATIONAL FOOD & DRINK EXHIBITION, London, England. One of the top food and beverage shows in the world. For more information, contact Bennett Brooks, OIT, 563-8226.

(See Trade Shows page 12)

Alaskan Businesses Score Win at Goodwill Games

The Goodwill Games held in Seattle this summer may have been a public relations nightmare for organizer Ted Turner. But for a group of 15 Alaskans who chose to mix business with pleasure by promoting their products and services at the Goodwill Games Trade Show held in conjunction with the athletic event, the two weeks couldn't have been better.

"We're sending samples to a food broker in Greece as a follow-up to contacts made at the Goodwill Games Trade Show," said Mark Wilson, president of Wetco and Alaska Mountaintop Spirits Company. "The company in Greece currently imports specialty items from around the world and they came to us interested in glacier ice and water."

Importers in Greece also expressed a keen interest in computers from Kootznoowoo Government Service in Angoon. Other prospects included group tours from Taiwan, salmon skin exports worldwide, and the sale of technology for a solid waste problem in Thailand.

"We had a tremendous response," said Jim Cucullu of Hobbs Industries. "I am currently following up on many leads generated from Third World countries — areas that have a real need for the technology we can provide to overcome their energy and solid waste problems."

The Governor's Office of International Trade (OIT), in association with the Alaska State Chamber of Commerce, sponsored the Alaska State booth at the show. Unlike many

trade shows, the event was open to the public for only four hours on the first day of the show. The remaining two and a half days of the event were spent meeting with the more than 150 foreign buying delegations from 30 countries who were invited to the event by trade show organizers.

"The Alaskans in attendance were fortunate," said Katelyn Carrigan, organizer of the event for OIT. "Alaska was unique in the minds of the buying delegates; there was a great deal of interest in meeting with Alaskans. There was always meeting activity at our booth."

Companies or state agencies represented at the trade show in person or with brochures included the Alaska State Chamber of Commerce, the Division of Tourism, the Alaska Seafood Marketing Institute, the Alaska State Museums, Hobbs Industries, Southeast Conference, Sealand, Alaska Mountaintop Spirits Company, Arctic Slope Regional Corporation, Arctic Crossroads Trading Company, NANA Corporation, Port of Anchorage, Fairbanks Convention and Visitors Bureau, Mat-Su Convention and Visitors Bureau, and Kootznoowoo Government Services.

"The Goodwill Games Trade Show was an excellent opportunity for Alaskan businesses," said Kathy Tarr, Anchorage office manager for the Alaska State Chamber of Commerce. "The direct contacts made between Alaskan businesses and the foreign delegates were very beneficial. The mystique of Alaska was a marketing tool that got attention."

Alaska, British Columbia Work to Strengthen Trade Ties

Alaska and British Columbia recently took the first steps towards strengthening trade ties, discussing possible ways to improve transportation links between the two regions.

In a late July visit to British Columbia, International Trade Director Bob Poe met with several Canadian officials and executives in the first formal trade talks to be held since the signing of recent economic cooperation agreements between Alaska and British Columbia. Talk quickly turned to the need for more direct air routes — both for passengers and cargo.

"Logically, the first place to focus our attention in developing a successful economic relationship with British Columbia is transportation routes," said Poe, noting that nearly all routes from Alaska pass through Seattle. "This occupied 95% of the meetings I had."

One possibility, raised in a meeting with Ed Grauvog, vice president with Canadian Airline International, is an air route

from Calgary to Anchorage and then on to Tokyo. Canadian Air currently flies the Calgary to Tokyo route, and Poe said the airline is interested in winning the right to stop in Anchorage. Such a flight would require permission from Transportation Department officials in Washington, D.C.

"This type of weekly flight may make sense for joint Lake Louise, Banff and Alyeska ski trips from Japan," said Poe. "I believe (that pushing for)... Anchorage stopover rights is our best short-term opportunity."

Poe and Ray Holland, director of the Canada/U.S. Branch of the Ministry of International Business and Immigration, considered another idea: an air-sea-rail cargo link stretching from Tokyo to the East Coast of Canada. The plan envisions cargo flights from Tokyo to Anchorage, container ships from Anchorage to Prince Rupert, and rail cars across to the Eastern seaboard. Poe said officials are expected to pursue the transportation link possibilities in the coming months.



ALASKA



JAPAN



KOREA



Alaska International Trade Digest
Subscription Form

Please place me on your mailing list:

Name: _____

Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____

FAX: _____ Telex: _____

g

Trade Shows...(continued from page 10)



UNITED STATES

Nov. 29 - Dec. 2 **THIRD U.S./CHINA JOINT SESSION ON INDUSTRY, TRADE, AND ECONOMIC DEVELOPMENT**, to be held at the Seattle International Trade Center. Conference provides opportunity to meet with Chinese business leaders and trade officials. Contact: Center for International Cooperation, 206-728-1561, or call Bennett Brooks, OIT, 563-8226.

October 1991 **USA SHOWCASE '91**, will be held in Budapest, Hungary. An exclusive exhibition of U.S. products, equipment and services available to the Eastern European marketplace. Contact: USA Showcase '91, 713-266-0610 (phone) or 713-974-2058 (fax).

State of Alaska
Office of the Governor
Office of International Trade
3601 C Street, Suite 798
Anchorage, Alaska 99503

BULK RATE
U.S. POSTAGE
PAID
Permit No. 105
Anchorage, AK

ALASKA INTERNATIONAL TRADE DIGEST



Vol. 3, No. 1

Governor's Office of International Trade

July, 1990

Steve Cowper, Governor

Robert Poe, Jr., Director

Second Korea-Alaska Trade Fair Results In Measured Success

Despite monsoon rains, Governor Steve Cowper's cancellation due to the Special Session, and other major activities taking place in Seoul simultaneously, attendance at the second Korea-Alaska Trade Fair (KATFA) well exceeded last year's event.

A ribbon-cutting ceremony opened the 2 1/2 day KATFA event with a wide variety of dignitaries including the President of Korea Gas, Mr. Hee-Sung Moon; the Chairman of KOTFA and honorary representative of the State of Alaska Mr. S.K. Lee; the

Gregg; past U.S. Ambassador Richard Walker; President of the Alaska State Chamber of Commerce, George Krusz, Mayor Bill Noll of Seward representing the Alaska-Korea Business Council and Bob Poe representing Governor Cowper.

"KATFA '90 was an unqualified success," said William Cullinane. Mr. Cullinane organized a booth at the KATFA trade show representing the Juneau Economic Development Council, Goldbelt Inc., Inn at the Waterfront, Juneau Convention and Visitors Bureau, Alaska Seafood, Douglas Island Pink & Chum, and SEALASKA Corporation.

KATFA '90 was held June 18-20 at the Seoul Hilton in Seoul, Korea. Fifty-five Alaskans attended KATFA representing over 40 private sector and state government departments. "Contacts made with South Korean business and government officials during the KATFA event will pay dividends for Alaska businesses," said Bob Poe, Director of the Office of International Trade.



Alaskan representatives at KATFA '90 press conference. From left to right: K.S. Yang, Dana Brockway, Jane Angvik, Ambassador Richard Walker, Bob Poe, Rep. Dave Donley, and George Krusz.

President of the Korea National Tourism Corporation, Mr. Young-Kil Cho; the Chairman of Hyundai Heavy Industries, Mr. M.J. Chung; and past Minister of Trade and Industry, Mr. J.H. Keum. Representing the U.S. side was U.S. Ambassador to Korea Donald

Miss Alaska USA, Karin Meyer, greeted approximately 300 Korean business and government leaders who attended the grand reception following the ribbon-cutting ceremony. The reception featured Alaskan seafood, Attakiska vodka and Chinook beer products which were donated by Icicle Seafoods, Cook Inlet Processing, and 10th and M Seafoods, as well as Alaska Mountaintop Spirits Company and Alaska Brewing Company.

Approximately 50 journalists representing a variety of print media and both major television networks in Korea attended the KATFA press conference. Both KBS and MBC featured the Alaskan visit on their June 19 morning news edition, showing 4 minutes of coverage of the grand opening event and trade show.

Coming from as far away as Pusan to attend the trade show, Korean business people showed interest in importing Alaskan fish, timber, vodka,

(see KATFA page 11)

Inside . . .

Director Poe's Message	2	Taiwan Office Update	7
Gov. Cowper's Report	3	Trade Lead Bulletin	8
Northern Regions	4	Seafood News	9
Japan Office News	6	Trade Shows	10



Alaska International Trade Digest

is a publication of the Governor's Office of International Trade.

Alaska International Trade Digest provides Alaska businesses, government officials, and foreign interests with information on Alaska markets, foreign markets, trade leads, country profile information and office activities. This publication is paid for by the Office of International Trade.

Editor, Layout & Design

Lisa Curtis

Vol. 3, No. 1July, 1990

Staff of the Office of International Trade

Robert Poe, Jr., Director

Anchorage Office

3601 C Street, Suite 798

Anchorage, Alaska 99503

(907) 561-5585, FAX (907) 561-4577

Ginna Brelsford, Trade Specialist

Tami Calvo, Administrative Asst.

Katelyn Carrigan, Trade Specialist

Lisa Curtis, Special Projects

Sue Kinney, Secretary

Helena Schwenter, Intern

Tokyo Office

1-40, 4-chome, Toranomon

Minato-ku, Tokyo 105

(81)-3-436-5285, Fax 436-5039

Kazunaga Hayashi, State Rep.

Mariko Kuroda, Market Specialist

Kimiko Muguruma, Secretary

Seoul Office

Kyobo Bldg., Suite 2112

1, 1-ka, Chongro, Chongro-Ku

(82)-2-734-3381, Fax 734-3382

Kyung Sun Yang, State Rep.

Kyong-Suk Kim, Assistant Rep.

Sung HEE Wang, Secretary

Taipei Office

7th Fl., B-16, Taipei World Trade Cntr.

5, Hsin Yi Road, Sec. 5, Taipei, Taiwan

886-02-723-1882, Fax 723-1897

Li Chen, State Representative

A message from Director Robert Poe, Jr.

• Why KATFA '90 was a Success •

KATFA '90 was perhaps even more successful than KATFA '89. However, this success came in spite of some very shaky days leading up to the event. Ten days before KATFA '90 was scheduled to begin Governor Cowper was forced, due to the Special Legislative Session, to withdraw from leading the Alaskan delegation to Seoul. Next, we learned that the Korean Chamber of Commerce and Industry (KCCI), a co-sponsor of the event, would be unable to attend KATFA due to a conflicting set of meetings in Seoul. Hawaii was staging a tourism trade show in Seoul at the same time. Finally, the president of the Alaska Korea Business Council, a co-sponsor, announced that while he would be in Seoul the week of KATFA, he would not be participating in the trade fair.



In spite of all this KATFA '90 was a big success, but why?

First, a lot of hard work went into the preparations for KATFA '90. Katelyn Carrigan and a long list of Alaskans she was working with did an excellent job with the Alaska-side preparations. Alaskan participants were well prepared for their trip to Korea. Special arrangements and schedules were made and re-made. K.S. Yang and the other members of the Alaska State Office in Seoul took care of every detail on the Korean side. Everything was handled from invitation lists and facility arrangements to the ice carvings at the opening reception. And our Korean advertising firm, Nara, did an excellent job in promoting the event. There were over 50 journalists at the KATFA '90 press conference in Seoul. Try getting 50 journalists to show up for anything in Alaska.

But, all of these advance preparations are to be expected, that's OIT's job. The real reason underlying the success of KATFA '90 should go to the Alaskan participants and the Alaskans who preceded them for so many years. What became clear at the opening reception and ribbon cutting ceremony was that all of the high powered Koreans who attended came due to a true affinity they have for Alaska and Alaskans. Alaska has definitely built a strong base of support in Korea which has come from many years of trading and friendship.

The other accompanying reason why KATFA '90 was successful is the Alaskans who traveled to Seoul. They traveled to KATFA with a true Alaskan spirit. They were warm and personal and carried a belief in the future potential that Alaska and Korea have as trading partners. Some came to KATFA already knowing Korea and Koreans, others came to learn and to explore possibilities. But all came with the Alaskan warmth and charm that has built this strong relationship with Korea.

KATFA '90 was a success in many ways. The opening reception was well attended. Many top dignitaries assisted in the ribbon cutting ceremony. The seminar and booth exhibits were all well attended. Several deals were even signed at the event itself. U.S. Ambassador Donald Gregg commented to me when leaving the opening reception, "This was honestly a super event, I only wish more states knew how to do it right like Alaska".

The real success is seeing the solid footing that underlies the Alaska/Korea partnership. •



Governor Cowper Meets with Soviet President Gorbachev on Productive Visit to the Soviet Union

by Gov. Steve Cowper

A meeting with Soviet President Gorbachev, the signing of a new trade and cultural exchange agreement with Alaska and an address to leading American businessmen and their Soviet counterparts highlighted my 10-day visit to the Soviet Union in late May.

Plans were made for some 60 top Soviets to travel to Anchorage in September for the Northern Regions Conference, talks were held with key Soviet aviation, fisheries and arctic science officials and I met with American Ambassador to the Soviet Union Jack Matlock.

I consider the trip a success for several reasons. Important contacts were established at the highest levels in the Soviet government, which are certain to prove invaluable as Alaska continues to lead the nation in improving relations with our neighbors. I was pleased to hear from top Soviet officials including President Gorbachev himself, that they appreciate Alaska's efforts.

The agreement I signed with the Russian Federation, the largest of 13 states in the country which encompasses 145 million people, should advance Alaska trade and scientific and cultural exchanges. Alaska is one of only four states with such agreements with the Federation.

I traveled to Moscow at the invitation of the US-USSR Trade and Economic Council, an organization of some 350 American companies and 200 Soviet trade organizations, designed to promote trade between the two countries. The Council does an excellent job of overcoming the cultural barriers that inhibit trade between the US and Soviet Union.

My message to the Council was twofold: be persistent, and learn from those who are breaking ground, including many Alaskans.

"Keep at it. If the proposal is basically sound, you can probably make it work," I told several hundred at the Council meeting. "It's possible to be optimistic without being utopian and it's possible to be helpful without being presumptuous."

I was proud to detail the multitude of Alaska-Soviet trade ventures including those involving the Alaska Commercial Company, Alascom, mineral and fishing operations. The lessons I told the Council and which I believe Alaskans have learned from their several years worth of dealings with the Soviets, include:

- Patience and flexibility. Our economic systems are so different there is ample opportunity for misunderstanding. Sticking with it will pay off in the end.

- Mutual benefit should be the operative term. Joint venture promoters from the U.S. should carefully think out and explain the benefits to the Soviets, because they often do not understand them.

- Personal relationships are vitally important. We have learned in Alaska that mutual trust and friendships go a long way in helping with business.

- Remember that the U.S. is the symbol of a free-market economy. These new relations with the Soviet Union offer a historic opportunity to Americans, but also carry an obligation to be ethical and honest.

The three-page trade and scientific/cultural exchange agreement with the Russian Federation calls for enhanced contacts between local governments, youth, cultural and scientific groups, exchanges of expertise on environmental problems and formation of a joint commission to meet in Alaska and Moscow.

I signed the agreement on behalf of Alaska and for the Soviet side, it was signed by Leonid Gorshkov, deputy chairman of the Russian Federation Council of Ministers.

My other activities in the Soviet Union included:

- Meetings with First Deputy Minister Vitalii Lushnikov, the second highest official of the Soviet Ministry of Fisheries, who pledged further cooperation with Alaska to end the use of high seas driftnets which intercept Alaska and Soviet-bound salmon.

- Meetings with officials of the Soviet Ministry of Aviation, where I urged them to work expeditiously to establish regular air service between Alaska and the Soviet Far East.

- An address to the People's Deputies in Leningrad, the governing body of the country's second largest city of 5 million. Leningrad is considered a leader in driving economic and political changes in that country and officials there were most anxious for further relations with Alaskans.

- Meetings with officials who oversee scientific research into problems of the Arctic. The Soviets are much more advanced when it comes to scientific research into arctic problems than the U.S. and are interested in joint research projects with Alaska.

- A meeting with Gennadi Gerasimov, President Gorbachev's former spokesman and a long-time friend of Alaska. Gerasimov has visited Alaska several times and has played a major role in opening the Bering Straits to exchanges between Soviets and Alaskans.



Northern Regions Conference Schedule

Saturday & Sunday, September 15-16

Arrival/Hotel Check-in
Pre-conference Tours

Sunday, September 16

16:30-18:30 Pre-reg,stration
19:00-21:00 VIP Reception -
(invitation only)
Arctic Film Series

Monday, September 17

07:00-08:30 Continental Breakfast
at Hotel
07:00-17:00 Registration
09:00-09:15 Governors' Summit
Welcome Address By
Gov. Steve Cowper
09:15-12:15 Presentation By
Regional Leaders
Break
10:15-10:30
12:15-14:00 Lunch - Hokkaido
14:00-17:00 Presentation By
Regional Leaders
Break
15:15-15:30
19:00 Banquet - Scandinavian
Keynote Address:
Ambassador Brown on
U.S. Arctic Policy
(Entertainment)

Tuesday, September 18

07:00-08:30 Continental Breakfast
at Hotel
09:00-12:15 Governors' Summit
(Governors & staff only)
Business Forum
Political Section
Social Section
Break
10:15-10:30
12:15-14:00 Lunch - Native Cultures
14:00-17:00 Governors' Summit Final
(Governors & staff only)
Business Forum
Political Section
Social Section
Break
15:15-15:30
16:00 Press Conference
17:45 Banquet and train ride
to Portage Glacier

Wednesday, September 19

07:00-08:30 Continental Breakfast
at Hotel
09:00-12:15 Business Forum
Political Section
Social Section
Break
10:15-10:30
12:15-14:00 Lunch -
Soviet Ambassador to US:
Soviet Arctic Policy
14:00-17:00 Business Forum
Political Section
Social Section
Break
15:15-15:30
19:00 Banquet - Russian
Keynote Address:
McDonalds Moscow
Representative
(Entertainment)

Thursday, September 20

07:00-08:30 Continental Breakfast
at Hotel
09:00-12:00 Presentations From:
Governors' Summit
Business Forum
Political Section
Social Section
Break
10:15-10:30
12:15-14:00 Lunch - Canada
14:00-17:00 Concluding Panel :
Vision for Arctic
Cooperation
Break
15:15-15:30
17:00-19:00 Reception
19:00 Closing Festival - North
to the Future
Keynote Address:
Gov. Steve Cowper
(Entertainment)

Friday, Saturday & Sunday, September 21- 23

Northern News Service
Conference
Workshop Field Trips
Post-conference Tours
Departures

Simultaneous Interpretation
offered in the following
languages:

- English
- Japanese
- Russian

For registration information on the Northern Regions Conference
please contact:

Northern Regions Management Team
3601 C Street, Suite 798
Anchorage, AK 99503
Telephone: (907) 561-2260
Telefax: (907) 561-4577



Governors' Summit

The Governors' Summit will explore means of regional cooperation to protect the environment and develop natural resources of the North Pacific and Arctic. Northern region participants include:

- Spitsbergen, Norway • Hokkaido, Japan • Greenland-Denmark • Soviet Far East Territories • Heilongjiang, China • Yukon, British Columbia, and North West Territories, Canada • Alaska, USA • Lapland, Finland • Stockholm, Sweden •

Workshops



Social Section

Three workshops will focus on concerns of northern living and indigenous peoples.

Workshop subjects include:

- Education
- Circumpolar health
- Northern living



Political Section

Workshop topics, with emphasis on legal issues in the North, will include:

- International trade law
- Legal rights of indigenous people
- Security and political cooperation



Northern News Service Conference

Approximately 35 print journalists from eight circumpolar nations will participate in the Northern Regions Conference. A separate conference will follow on Friday, September 21. Sponsored by Alaska Press Club and Novosti Press, Moscow USSR.

Third Northern Regions Conference Focuses on Business Development in the Arctic and North Pacific

International Business Forum: Economic Cooperation in a Changing World

A series of keynote addresses, panel discussions and workshops combine to offer Northern Regions Conference participants an opportunity to address business development in the North.

Business forum conveners Dr. John Sibert and Mr. Masahide Shibusawa have invited a distinguished group of business and government officials to address regional issues.

Dates:

Tuesday and Wednesday September 18-19, 9:00 a.m-5:00 p.m.

Topic:

International business development in the Arctic and North Pacific

Day one:

Tuesday, September 18, the Business Forum will open with a panel discussion by six eminent authorities from the Northern Region. They will explore northern markets and financing, natural resource development, international fisheries, northern tourism development, and infrastructure building of transportation and communication services. The morning addresses will be followed by panel discussions in the afternoon. Following each session, there will be a moderated question and answer period.

Day two:

Wednesday, September 19, the Business Forum continues with in-depth workshops on communications and transportation, international fisheries, natural resource development and northern technology, and northern markets and financing. Conference conveners will focus the discussions on models for balanced economic development and environmental preservation.

Presentation of Findings:

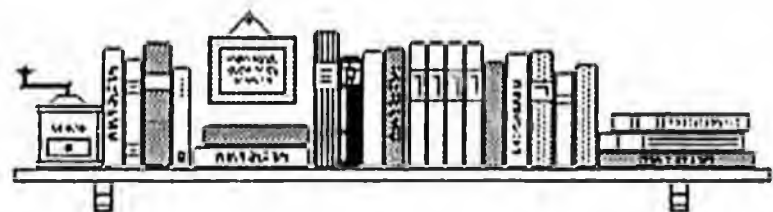
Thursday, September 20, findings from this two-day Business Forum will be presented in the final morning session. These models will be incorporated into the afternoon concluding panel--Vision for Arctic Cooperation.

Workshop Field Trips:

Friday, September 21, workshop field trips will be offered to explore first-hand the Kodiak Island Fisheries, Prudhoe Bay Oil Fields and International Air-Sea Cargo Facilities.

Eminent Authorities Invited:

Artour Chilingarov, Deputy Minister, USSR; Ariyoshi Okumura, President & CEO, Industrial Capital Mgt. Tokyo, Japan; Seizo Ota, TOHO Mutual, Tokyo, Japan; Russell Saunders, Pres., Saunders Inc, Canada; James Wheeler, International, Federal Express, USA; and Zhang Xuwu, CITIC, Beijing, China. •





UPS Close to Aquiring Japan Air Cargo Route

In a recent decision, U.S. Department of Transportation Judge Burton Kolko, endorsed United Parcel Service for the right to operate an air cargo route from Anchorage to Japan. Final approval on the recommendation, which is expected by October 1, must be made by Transportation Secretary Samuel Skinner and President Bush.

The new air cargo route became available when a new bilateral aviation agreement was reached between Japan and the United States - opening up a spot for one all-cargo carrier. Two companies applied for the route, UPS proposing to use Anchorage as its cargo hub, and Emery Worldwide going through Fairbanks.

In his recommendation, Judge Kolko indicated that UPS' proposal presented a stronger market outlook and offered greater freight capacity than the Emery plan. Japan is one of the worlds most lucrative and expanding air cargo markets and the UPS proposal is better suited to meet those demands.

United Parcel Service recently began work on a new \$3.6 million cargo-handling center at Anchorage International Airport and expects to hire an additional 25 employees if they get the Japan route. •

Tokyo Office News Update

by Greta Anderson - Goto, Alaska State Office Tokyo

Fresh Alaska Salmon Hits Japanese Supermarkets...

Three Supermarket chains are featuring fresh Alaskan salmon in their stores! Hankyu Oasis, with over 25 stores serving the Osaka and Kobe areas, has been importing salmon from the Copper River area for 5 years and is now quite popular with consumers. As part of their 30th anniversary celebration, Hankyu is running a special in-store promotion of Alaskan salmon.

For the first time, Supermarket "Marutomo", with eight stores in Numazu city, Shizuoka prefecture, had an in-store promotion of Alaskan seafood. From June 5-8, Marutomo featured Alaskan salmon and crab.

Finally, Seiyu Supermarket (part of the Seibu group) will be holding an American Fair, July 5-8, where they usually feature American food products such as; beef and fruit. This year, Seiyu will also feature Alaskan salmon. This will be quite an event, an opening ceremony and guests to include; representatives from the U.S. Department of Agriculture, Western United States Agricultural Trade Association, and U.S. state offices (including the State of Alaska). Seiyu, which operates 150 supermarkets in the Tokyo area, forecasts Alaskan salmon sales of up to 400 million yen in 1990.

Seafood / Surimi Convention Highlights...

Mr. Kuroki, Director, Department of Fisheries Administration in Japan and Mr. Salisbury, Attache with the US Embassy in Tokyo were the main speakers at the 15th Annual All-Japan Kamaboko Manufacturers Festival, in Shizuoka, Japan. Their presentations focused on three main topics; trends in marine product consumption, future expansion of seafood consumption and trends in the Japanese surimi market.

According to Mr. Kuroki, the supply of seafood products is decreasing while the consumption is rising. More specifically, the demand for live and gourmet fresh seafood products is increasing.

When addressing future expansion of the seafood market, Mr. Kuroki suggested that aggressive marketing of marine products is likely and that it will target lower-consumption groups such as; inland inhabitants and the younger generation. Mr. Kuroki also predicted new product development for the general consumer in areas like; marine products sold in combination with other products (frozen fish fillet with cheese sauce) and new types of surimi products (imitation crab).

Mr. Salisbury made the following predictions, regarding the Japanese surimi market. Japanese production of surimi is expected to decline due to a reduced availability of source fish; however, American surimi production is expected to increase. U.S. surimi exports to Japan should increase and contribute to the stabilization of prices and current production levels in Japan. A gradual increase in worldwide consumption of surimi products is expected, a slight decline in Japanese consumption is expected to be offset by an increased demand by American and European consumers.

Non-fish News...

Alaskan glacier water is again making the news. Glacier water is the main ingredient of a specialty Japanese sake, "Arasuka Monogatari" (an Alaskan story). The sake sold for the first time last year. It is a limited production, targeted to the Japanese summer gift market. This year the brewer plans to quadruple production, 20,000 bottles including 2000 for export to Alaska. •



Alaska Offers a Desirable Vacation Alternative for the Taiwan Tourist

by Li Chen, Alaska State Representative

Outside the Taipei World Trade Center, where the State of Alaska Taipei Trade Office is located, the city simmers. A mass transit construction project blocks several roads, causing additional traffic jams in the hot and crowded city, one can imagine what kind of temper everybody has. With this image in mind it is easy to understand the draw that Alaska holds as a tourism destination for the people of Taiwan.

Alaska, with its vast land, fresh air, clean water, natural beauty and exciting outdoor activities, is an ideal place for people from Taiwan to have a nice, comfortable and cool vacation. However, according to Holland American Lines, out of 158,000 Taiwan travellers visiting the United States only 1,000 went to Alaska.

Cruise passengers make up the majority of Taiwan tourists who have visited Alaska. A typical Alaskan tour runs about 19 days and costs approximately \$6,500. This is quite expensive. A definite opportunity exists to develop a variety of tours for the people of Taiwan.

Since the opening of the Alaska State Office in Taiwan, I have put tourism promotion as one of my top priorities. Alaska, to the majority of Taiwan people, is a cold and icy place with few people. The promotion of Alaska as a tourism destination will not only increase the number of Taiwan visitors, but also provide an opportunity to see Alaska as an area for trade and investment.

From May 22-28, a group of Taiwan tour wholesalers and newspaper reporters were hosted for a familiarization tour of Alaska. Sponsors included: the State of Alaska Division of

Tourism, Alaska State Office in Taiwan, the Office of International Trade, Alaska convention and visitors bureau and Grayline of Alaska with assistance from local vendors. Northwest Airlines, Alaska Airlines and MarkAir provided air travel. The purpose of the tour was to show the lure and diversity of Alaska as a tour destination.

The Fam group visited Juneau, Kodiak, Kotzebue, Fairbanks and Anchorage and were very well received by each community, local convention and visitors bureau, hotels, restaurants and tour companies - thanks to everyone who helped make the tour a success. Many of the group members had arranged Alaskan tours for clients, but had never been here themselves. This trip helped them get acquainted with Alaska and think of new itineraries for the Taiwan traveller. Many of the tour wholesalers are working on new tours which are less expensive and more appealing to a variety of visitors.

Taiwan, a small country with a population of approximately 20 million, boasts a strong economic earning power. According to the China Post, (the English newspaper in Taiwan) Taiwan tourists spent approximately 4 billion U.S. dollars abroad last year. Understandably, world competition for the Taiwan tourist is vigorous, but Alaska has an advantage - an abundance of clean air and natural beauty. However, Alaskans need to work hard to attract the international traveller by developing complete tour packages and various itineraries.

I hope through the cooperation of Alaska state departments, convention and visitors bureaus, local communities, airlines, tour companies, news services, and individual Alaskans, we will see more Taiwan visitors in Alaska. This Fam trip is only the beginning of an effort to encourage Taiwan tourists to experience Alaska.

Alaska and British Columbia Sign Economic Agreement

An economic cooperation agreement was recently signed between Alaska and British Columbia. The agreement calls for enhanced trade between the two in areas such as tourism, transportation and mineral development. Bob Poe, Director of International Trade and Dave Parker, Minister of Crown Lands met in Prince Rupert on Friday, June 8th and signed the agreement.

The agreement also calls for periodic meetings between Alaska's governor and the premier of British Columbia "to review issues of mutual interest and to monitor progress towards enhanced joint cooperative efforts."

"Alaska and British Columbia share not only a common border but a host of natural resources," Cowper said. "By working cooperatively we can develop those resources in a way that benefits both our citizens. This agreement could well lead to better cooperation on issues ranging from fisheries and tourism to regular air links between Alaska and Vancouver."

The agreement is likely to lead to expansion of a trade agreement reached between the Canadian and U.S. federal governments that among other things, permits the sale of Alaska oil to Canada. In the works for about a year, the agreement calls on the two government leaders to appoint officials to serve as principal points of contact.

Washington state and British Columbia have already signed a similar agreement which has resulted in joint tourism promotion. Ketchikan and Prince Rupert are nearing a final agreement on a sister-city relationship and Alaska, British Columbia and the Yukon Territory already cooperate to promote tourism along the Alaska Highway. •

Trade Lead Bulletin

Export Trade Leads

JAPAN

CBM Co., Ltd.

Mr. Konishi
Okita Building, 10 F
9-13 Nishi-Nakajima, 3chome
Yodogawa-ku, Osaka City 532, Japan
PHONE: 81-6-306-4117
FAX: 81-6-306-4119
Japanese importer seeks high quality food products and machinery. Contact Mr. Konishi directly.

New Nissei Coporation

Mr. Fumio Hirose, Vice President
5-16 Kohnan 3-chome
Minato-ku, Tokyo 108, Japan
PHONE: 81-3-458-3676
FAX: 81-3-471-3689
Japanese company seeks quality, unique Alaskan general merchandise, including: food, chemical and rubber products. Contact Mr. Hirose directly.

Tokyo Kitasui Corporation

Mr. Kojiro Matsui, Managing Director
#1008, 6-1 Kaigan 1-chome
Minato-ku, Tokyo 105, Japan
PHONE: 81-3-780-1385
FAX: 81-3-132-3338
Japanese processor and distributor wishes to import frozen surf clam (no shell). Price quote requested. Contact Mr. Matsui or the Alaska State Office in Tokyo.

KOREA

Dong Seo Trading Co.

Mr. Jin Tac, Sim, President
Shinpung B/D 3F 1200-4 Choryang 3 Dong
Dong-Ku, Pusan, Korea
PHONE: 82-51-464-5658
FAX: 82-51-464-5659
Korean company interested in finding a source of 2-3 metric tons/per month of dried sea cucumber.

Nam Yang Ind. Co., Ltd.

Mr. Chang Young, Lim
Section Cheif of Trading Department
Sung Dong P.O. Box 49
216-8, Guedui-Dong, Sungdong-Ku
Seoul, Korea
PHONE: 82-2-453-6151
FAX: 82-2-453-4878
Firm requests catalogs, brochures and pricing information on Alaskan produced food items.

Union Fishery Corporation

Mr. Bong-Myung Shin, Manager
PHONE: 82-51-243-7733
FAX: 82-51-244-8550
Corporation seeks Alaskan sources of cod-fish, herring, dried cucumber (whole), salmon (chum or other) and sea perch. Contact Mr. Bong-Myung Shin or Katelyn Carrigan at OIT.

TAIWAN

High Done Industrial Co., Ltd.

1, Alley 2, Lane 287, Nankang Rd., Sec. 1
Nan Kang, Taiwan
FAX: 886-2-786-3948
Company seeks housewares, educational items, gifts and toys.

UNITED STATES

Exposition Food Services, Inc.

Mr. Arie Bos, President
425 Ena Road, Suite 1A
Honolulu, HI 96815
PHONE: (808) 973-3355
Supplier of food concessions for international trade shows and expositions seeks food and beverage products.

Contact OIT at 561-5585 for additional information.

Hankyu Promotes Gourmet Alaskan Items In Japan

Two representatives of Hankyu Oasis Department Store and several representatives from Nozaki & Co., Hankyu's trading company, visited Alaska June 10-13 to meet with Alaskan businesses and government officials. The itinerary included a meeting with Governor Cowper. While in Alaska, Nozaki & Company placed orders for Alaska Wilderness Gourmet jams, Alaska Herb and Tea Co. products, and Copper River red salmon to sell at the Hankyu Oasis department stores in Japan. Hankyu is credited for promoting "gourmet" Alaskan food items in Japan including fish products, Attakiska

Vodka, and Chinook Beer. They are also considering importing, Alaska Supreme Ice Cream and White King salmon.

During a meeting with Robert Poe, Mr. Masayuki Inoue, Corporate Director of Sales and Merchandise from Hankyu Oasis expressed the personal interest of Hankyu in a long-term relationship with Alaska and the continued import of high quality Alaskan products. "Alaska is unique and holds great mystique in Japan," said Inoue. "Hankyu is committed to promoting gourmet Alaskan products from this pristine region."

In December of 1989, Hankyu brought 2 Alaskan chefs to Osaka, Japan to demonstrate salmon preparation at the grand opening of an Alaskan fish section of their new Osaka store. Plans are underway by Hankyu and the Office of International Trade for an Alaskan non-professional salmon cooking contest to take place in November. Top winners of the competition would be given an expense-paid trip to Japan to demonstrate salmon cooking to Japanese housewives. •



Helpful Hints for Business Success in the Japanese Seafood Market

The reports you hear about the strict Japanese seafood market regarding quality, freshness and packaging are true! Following are some valuable tips and suggestions for a successful business experience in the Japanese market (compiled from fisheries reports, discussions with seafood buyers and importers, and other fisheries experts).

- Keep products fresh. Whether fresh or frozen, freshness is a critical element in selling your product.
- Be particular about sanitary control. Japanese sanitary requirements are very strict. It might be useful to have a working knowledge of Japanese sanitary requirements, especially if you plan to export directly. Once a firm establishes a reputation for unsanitary handling, it is very difficult for that company to regain access to the market.
- Observe standards. Commercial value is directly related to size and other standards set by the industry.

- Supply products that match consumer needs and tastes. Important characteristics include; freshness, color, texture, taste, smell, external appearance and size. Consumer needs vary with fish type, but generally speaking, bright colors, and undamaged tails and bodies are preferred.

- It is helpful to understand Japanese eating habits. In many cases marine products are destined for use in raw slices, as in sashimi, and sushi, or portion cuts for use in lunch boxes. If you have an idea where your product is destined it may help you market it accordingly.

- Package your product with care. First appearances count! Even if you have provided your buyer with a top quality product, negligence in the packaging may result in your loss. Pack neatly and minimize damage to cases and wrapping paper. Consider checking with your buyer as to the type of packing materials and methods they prefer. For ready to retail items keep in mind that the Japanese consumer likes to see the product they are buying. Also consider a label that identifies your marine product as Alaskan.

- Stable, consistent supply is expected. Very simply, steady supply helps ensure a stable price which promotes a stable market.

- Your potential Japanese partner is curious about you and your product. In addition to providing samples, price and volume offered you may want to include information on the fishing season and the type of facilities you own or have access to.

- The Alaskan industry should not hesitate to get to know its buyers and potential buyers and market to them. One thing we consistently hear is how well and aggressively the Norwegians market their product.

- There is room for "specialty fisheries" development as well as development of fisheries waste industries. For example, Alaskan industries could be making profits from crab shells, fish bones, fish oil, etc.

- In order to maximize benefits, the Alaskan seafood industry should stay on top of developments in the growing surimi market. •

Seafood By-products: Growing Market, Great Opportunity

by Krysl Holms, Alaska Fisheries Development Foundation

World markets are developing for seafood by-products like fish meal, oil, skins, protein concentrate and shellfish waste products, and Alaskan seafood producers hope to capture those markets in the future. At a recent conference aimed at Alaskan fish processors, by-product specialists from around the world explained developing processing technology, analyzed market trends and explored Alaska's potential as a major supplier of by-products. The conference was called "Billions of Pounds of Protein," and was sponsored by Alaska Fisheries Development Foundation, the University of Alaska Sea Grant Program, and about 20 private companies.

The 37 speakers gave a broad view of the world seafood by-products activities and how Alaskan companies can break into the market. In summary:

- World fish meal production peaked in 1986 at 6.7 million metric tons; the 1989 estimated production was 6.5 million m.t. About 10% of the world's fish meal now is used in aquaculture feeds, a market that is expected to grow 14% by 1992 and 22% by 2000. Some believe the world market for aquaculture feed meal will be 1.5 million m.t. by the end of the decade.

- Quality and consistency of product will become increasingly important on the world market. By-products plants around the world are being renovated for sanitation purposes.

- Alaska's estimated fish meal production capacity in 1991 will be 3,500 m.t. per day from shore plants and 3,000 m.t. per day from processing ships.

- Companies getting into by-products production now could do well to focus on higher-value products such as refined fish oils, hydrolysate and chitin from shellfish wastes, rather than on lower-valued meal, some speakers said.

The three-day conference generated intense interest from companies around the world in Alaska's seafood products and by-products. For more information about the conference, or to obtain copies of proceedings (available in late 1990), call Alaska Fisheries Development Foundation, (907) 276-7315. •



Alaska to Participate in Upcoming Trade Shows

Korea World Travel Fair

For the third year in a row the State of Alaska will participate in the Korea World Travel Fair (KOTFA), the largest travel trade show in Korea. Last year, the visitor count at KOTFA totaled 77,050 (3,450 travel professionals and 73,600 general consumers). KOTFA '90 will take place September 6-9, 1990 at the KOEX Center in Seoul. Call Katelyn Carrigan at 561-2079 or 561-5585 for more information on how you could be part of KOTFA '90.

Goodwill Games Trade Show

The 1990 Goodwill Games Trade Show, being held August 1-3, 1990 in Seattle, Washington. The trade show is an opportunity for Alaskans to present Alaska's tourism industry, and display Alaskan export products, services and investment opportunities to foreign buying delegations who will be in Seattle for the Goodwill Games and/or hosted by the U.S. Trade and Development Program.

More than forty countries and regions will be participating in the 1990 Goodwill Games. All countries sending athletes to the Games have been encouraged by the U.S. Trade and Development Program and the 1990 Goodwill Games Seattle Organizing committee to send buying delegations. Other countries not participating in the Game's competition are also being hosted at the Exhibition on a select basis.

The State of Alaska will have a 1,200 square foot suite in which to exhibit products, present tourism information, Alaskan services and investment opportunities. If you are interested please contact Katelyn Carrigan at 561-2079 or 561-5585. •

INTERNATIONAL TRADE SHOWS



JAPAN

October 1-4 NEW IMPORT BUSINESS FAIR '90, held in Tokyo. The fair will focus on manufactured goods and provide an opportunity to display products and hold business meetings. Contact: Mr. Tateishi, MIPRO, phone: 81-3-988-2791 & fax: 81-3-988-1629

March 12-16

FOODEX JAPAN '91. The largest exhibition in Japan for food and beverage. Over 80,000 domestic and international food industry visitors expected. Contact: Mr. Otani, Japan Management Assoc., phone: 81-3-434-6211 & fax: 81-3-434-8076 or contact the Alaska State Office Tokyo.



KOREA

September 6-9

KOTFA '90 the premier tourism fair in Korea. For more information please contact: Katelyn Carrigan, OIT at 561-5585.

October 26-28

KOREA VISIT USA FAIR '90, a targeted opportunity for the Alaskan tourism industry to get valuable experience in Korea. Contact: Katelyn Carrigan, at 561-5585.

Oct. 30-Nov. 5

SEOUL INTERNATIONAL TRADE FAIR '90, one of the largest Korean trade fairs, an opportunity for Alaskan businesses to display their products and explore joint ventures possibilities. Contact: Katelyn Carrigan, OIT at 561-5585.



TAIWAN

November 7-11

TAIPEI INT'L GIFT & STATIONERY (AUTUMN) SHOW. To be held in the Taipei World Trade Center. Contact: CETRA Exhibition Dept., phone: 886(02)725-1111, fax: (02)725-1314.



UNITED STATES

August 1-3

1990 GOODWILL GAMES INT'L TRADE EXHIBITION, Seattle, Washington USA. Exhibiting future prospects for natural resources, advanced technologies, lifestyles and services. Contact: Katelyn Carrigan, OIT at 561-5585.

October 1991

USA SHOWCASE '91 will be held in Budapest, Hungary. An exclusive exhibition of U.S. products, equipment and services available to the Eastern European marketplace. Contact: USA Showcase '91, phone: (713) 266-0610, fax: (713) 974-2058



KATFA... (continued from page 1)

smoked salmon, and other consumer products. Tourism opportunities in Alaska was also a hot topic at KATFA. Questions were fielded by representatives from the Division of Tourism, Mark Air, Alaska Sightseeing, Ultima Thule, and Superstar Travel of Seoul -- the company who brought 800 Korean tourists to Alaska last summer with plans to bring over 1,000 more this summer beginning July 25, 1990.

Other Alaskan companies represented at KATFA include Alaska Glacier Products, Key Bank of Alaska, Alaska Battery, Alaska Loggers Association, National Bank of Alaska, Usibelli Coal Mines, Silver Lining Seafoods, United Parcel Service and Yukon Pacific Company.

Poe said state-sponsored foreign trade fairs, while seen as just "glamorous boondoggles" by some, are a cost-effective way to allow many business people to make foreign trade contacts. Many of those who participate represent small companies that couldn't afford to arrange such trips on their own. "The only way to do it is personally. What OIT is able to do with these kinds of trips is to reduce the cost through economies of scale," continues Poe.

Although international trade takes patience and persistence, and must be viewed on the long-term for overall business success, KATFA resulted in progress toward several business deals. Arctic Glacier Products, which makes a shampoo and other toiletries using Alaskan glacier water, is close to completing a deal allowing it to sell its products in South Korea.

"10th and M Seafoods met with the head of a consortium that handles the distribution of products sold in Korean hotels and restaurants," said Poe, "And they're interested."

Other events associated with KATFA include a briefing organized by the Alaska State Seoul Office to prepare first time Alaskan visitors on business practices and protocol in Korea; a historical tour of Seoul; a welcoming reception at the home of Gregg and Pu-Yong Brelford (Gregg is an Alaskan on a 2-year work experience at a law firm in Seoul); a seminar on "how to do business in Alaska" for Korean business people; and a luncheon hosted by the Alaska International Airport System. Gina Marie Lindsey made a presentation to Korean business people during the luncheon on the international air cargo opportunities that exist in Alaska and invited Korean companies to take a closer look at the value of using the Alaska International Airports.

KATFA '90 was sponsored by the Governor's Office of International Trade, the Alaska State Chamber of Commerce and the Alaska Korea Business Council.

"My measure of success," said Katelyn Carrigan, coordinator of the event, "was the positive comments from the Alaskans who attended and the number of individual business meetings that emerged from contacts made at the KATFA events. The meetings are the first step in increased trade between Alaska and Korea." •

A Special Thank You

The Governor's Office of International Trade would like to say thank you and good-bye to Greta Anderson-Goto and Chris Senungetuk, both of whom have recently left their positions with the office.

Greta, born and raised in Alaska, has been a trade specialist in the Alaska

State Office - Tokyo for the past year. Chris, also a life long Alaskan, has completed his one year intern position with OIT and recently accepted a job with Duty Free Shoppers, Ltd.

We will miss Greta and Chris, but wish them the best in their future efforts. •

Japanese Bank Loans Now Available to Foreign Companies

In another effort aimed at increasing the country's level of imports, the Export-Import Bank of Japan (EXIM Japan) recently launched an import finance program. Previously, EXIM Japan funds were available only to corporations in Japan. With the new program, foreign companies are now eligible to receive loans for the purpose of increasing the movement of goods to Japan.

This program is a result of the Japanese government's commitment to resolving the country's long-standing trade surplus. Other government-sponsored import promotion programs include; tax incentives, tariff reductions and eliminations, and foreign buying missions.

Eligible borrowers from EXIM Japan now include foreign corporations planning to make new investments to expand production capacity or to promote production and/or sales. Foreign financial institutions lending to such companies are eligible as well.

Up to 70 percent of the total required financing may be borrowed. There is no upper limit on the size of each loan, which can be in yen or dollars. Eligible import items range from chemicals and related products to manufactured goods and machinery. Manufactured goods are classified either by material of manufacture or by specific article.

For further information, please contact the main office of the Export-Import Bank of Japan, or the Office of International Trade. •



ALASKA



JAPAN



KOREA



**Alaska International Trade Digest
Subscription Form**

Please place me on your mailing list:

Name: _____

Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____

FAX: _____ Telex: _____



International Opportunity: Japan Study Program

The Ministry of International Trade and Industry of Japan (MITI) and Japan External Trade Organization (JETRO) are sponsoring an Export to Japan Study Program and have designated two positions for Alaskans. The study program is part of the expanded Japanese effort to encourage importing (see March issue of the Trade Digest, page 8).

The study program offers an opportunity for business people and trade experts to visit Japan and study local market conditions, identify potentials for new imports and develop business contacts. The ten day program provides travel, room and board, and a first hand opportunity to observe the Japanese economy.

If you are interested in applying for the study program please send a cover letter and resume to the Office of International Trade. Please include the following information: type of business, personal history (education and work experience), Japanese business or organization contacts, previous visits to Japan, if any, and what you hope to gain from participation in the study program.

Contact:
Lisa Curtis
Office of International Trade
3601 C Street, Suite 798
Anchorage, AK 99503
Phone: 561-5585
Fax: 561-4577

State of Alaska
Office of the Governor
Office of International Trade
3601 C Street, Suite 798
Anchorage, Alaska 99503

**BULK RATE
U.S. POSTAGE
PAID
Permit No. 105
Anchorage, AK**

ALASKA INTERNATIONAL TRADE DIGEST



Vol. 2, No. 4

Governor's Office of International Trade

March, 1990

Steve Cowper, Governor

Robert Poe, Jr., Director

Governor Cowper to Lead KATFA Delegation

The Korea Alaska Trade Fair (KATFA) '90 will open its doors on June 18 with a grand reception featuring Alaskan food and beverage products. Governor Cowper will be the featured speaker at the first evening's festivities. The three-day event to be held at the five-star Hilton Hotel will include a reception; a trade fair featuring Alaskan trade, investment and tourism opportunities; a seminar on "how to do business in Alaska"; and a brief introduction on business and protocol in Korea.

Due to conflicting events, the dates of KATFA '90 were changed from late April to June 18-20. This change in dates also avoids a peak tourist season in Korea running from April through May. Traditionally during the "Golden Season," as it is called, Japanese tourists visit Korea in large numbers. Hotels run at 100 percent occupancy and prices escalate.

"KATFA is an opportunity to get a lot of bang for your buck in international marketing," said Bob Poe, Director of the Governor's Office of International Trade. "It's expensive to market overseas and it takes patience. But by participating in KATFA you're a part of the KATFA advertising and media coverage, and are given the best opportunity to meet friends of Alaska in Korea. Those Koreans most interested in doing business with Alaska

will attend KATFA functions."

Bill Noll, Mayor of Seward encourages cities, businesses, and organizations to attend Katfa.

Mr. K.S. Yang, Alaska State Representative in Korea,

will be in Alaska in early April in part to promote KATFA. Mr. Yang will be the featured speaker at the Alaska State Chamber of Commerce Business Round Table Luncheon on Friday, April 6.

(see KATFA ...page 7)

KATFA '89 was a great success. It had immediate and tangible results," said Bill Noll, Mayor of Seward "Seward saw hundreds of Korean tourists in the summer of 1989--a first for Seward, and a first for the Koreans. We will certainly attend KATFA in 1990!"

Alaska's Exports Nearly Doubled In Last Three Years

The sale of Alaska goods and services abroad have grown a whopping 98 percent over the past three calendar years. Last year's exports jumped by more than 24 percent with seafood and timber sales leading the way.

Alaska's export total for 1989 was \$2.5 billion compared to \$2 billion in 1988. Sales to Canada, Central and South America and the Caribbean skyrocketed by almost 100 percent over 1988 to a total of \$70 million. Asia bought 24 percent more Alaska products and services last year while Europe increased by 28 percent.

"Alaska has established itself as a major player in the world marketplace and has proven to other nations that it makes good economic sense to do business here," Cowper said. "The steady increase in exports over the past three years demonstrates that economic diversification through foreign trade is succeeding in Alaska."

The latest trade figures, compiled by the University of Alaska Center for International Business, show that worldwide sales of seafood products from Alaska in 1989 grew by 20 percent to more than \$1 billion. Alaska timber sales worldwide also grew by 20 percent for a total of \$635 million.

Alaska's strategic geographical location was a key factor in the worldwide export of miscellaneous products swelling by 115 percent to \$358

(see Exports...page 6)

Inside . . .

Director Poe's Message	2	Trade Lead Bulletin	8
Gov. Cowper's Report	3	Japan Office Update	9
Northern Regions	4	Trade Shows	10
Taiwan Office Update	7	Air Cargo	11

Alaska International Trade Digest

is a publication of the Governor's
Office of International Trade.

Alaska International Trade Digest provides Alaska businesses, government officials, and foreign interests with information on Alaska markets, foreign markets, trade leads, country profile information and office activities. This publication is paid for by the Office of International Trade.

Editor, **Ginna Brelsford**

Layout & Design, **Lisa Curtis**

Vol. 2, No. 4.....March, 1990

Staff of the Office of International Trade

Robert Poe, Jr., Director

Anchorage Office

3601 C Street, Suite 798
Anchorage, Alaska 99503

(907) 561-5585, FAX (907) 561-4577

Ginna Brelsford, Trade Specialist
Tami Calvo, Administrative Asst.
Katelyn Carrigan, Trade Specialist
Lisa Curtis, Special Projects
Sue Kinney, Secretary
Ron Miller, Trade Specialist
Chris Senungetuk, Research Intern

Tokyo Office

1-40, 4-chome, Toranomon
Minato-ku, Tokyo 105

(81)-3-436-5285, Fax 436-5039

Kazunaga Hayashi, State Rep.
Mariko Kuroda, Market Specialist
Greta Anderson-Goto, Trade Spec.
Kimiko Muguruma, Secretary

Seoul Office

Kyobo Bldg., Suite 2112
1, 1-ka, Chongro, Chongro-Ku
(82)-2-734-3381, Fax 734-3382

Kyung Sun Yang, State Rep.
Kyong-Suk Kim, Assistant Rep.
I.H. Kim, Secretary

Taipei Office

7th Fl., B-16, Taipei World Trade Cntr.
5, Hsin Yi Road, Sec. 5, Taipei, Taiwan
886-02-723-1882, Fax 723-1897

Li Chen, State Representative

A message from Director Robert Poe, Jr.

Bob Versus the Volcano



In December of last year I woke to the news that Mt. Redoubt had awoken. Spewing ash from the volcano caused all four engines to shut down on a new KLM 747-400 which flew through an ash cloud. A major disruption to air traffic through Anchorage was underway. Passengers were stranded, brides missed their own weddings, pen-reared salmon from Norway were spoiling on the apron, and Federal Express was trucking deliveries through Fairbanks.

By January three carriers, Japan Airlines (JAL), Korean Airlines (KAL) and China Airlines (CAL) had all temporarily halted service through Anchorage. In response to this, Governor Cowper asked me to meet with top management from each carrier to see what could be done. A similar trip was made to Europe by Anders Westman from the Alaska International Airport System (AIAS), and, the carriers returned two weeks later.

Whether it was our persuasive arguments to return, or the sheer economics of flying through Alaska, which brought the carriers back is not clear. But, they were back.

KAL recently announced that it would soon start routing its Seoul/Paris and Seoul/London flights through the Soviet Union. Management cited the 4 hours in flying time which could be avoided this way, and, the corresponding reduction in aircraft operating costs. This decision by KAL was not a surprise, but it definitely wasn't good news.

The emotional conclusion my mind jumped to was to blame our troubles on the volcano, but I knew that really wasn't the problem. The move by passenger carriers to use the new Boeing 747-400 and to make use of Soviet air space was not totally unexpected. Only now the threat is reality.

But, all is not lost; AIAS has a strategic plan. It's based on the idea that we can't beat technology (i.e., ask Boeing to stop making the 747-400) or fight the benefits of the opening of Soviet air space. What we can do is work to maximize our strengths as a tourism destination and world cargo hub.

Good progress has been made with this strategic plan. International tourism is up, Federal Express' world cargo hub is in Anchorage and is continually expanding, and Anchorage received designation as a Foreign Trade Zone. Both Emery and UPS chose Alaska for their future Pacific Rim bases, and the parts bank warehouses are just around the corner. Much of this progress is due to a close working relationship between AIAS, OIT, AIDEA and the Division of Tourism.

The threat of overflights due to technology improvements and the opening of Soviet air space is upon us. And, the AIAS strategic plan is working; things are moving strongly in the right direction. Now is definitely not the time to panic or place blame. Now is the time to work together not for personal glory, but for the future of Alaska.

Cowper & Idemitsu Kosan Move Ahead on Mat-Su Coal Project

Governor Steve Cowper and the Japanese firm of Idemitsu Kosan Co., Ltd., have reached a conceptual agreement that permits the development of the Wishbone Hill coal project in the Mat-Su Valley. The project will generate about 200 jobs annually during its estimated 15-year life.

Under the agreement reached between Cowper and top officials of Idemitsu Kosan, the state will invest \$9 million for new locomotives and coal rail cars through the Alaska Railroad to transport coal to Seward. In turn, the company has agreed to proceed with the project that will generate an annual payroll of about \$10 million and to reimburse the state for the new train should they withdraw from the project sooner than planned.

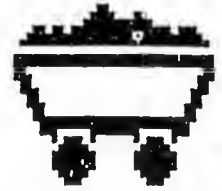
"This is one of the most promising natural resource development projects in Alaska today that will directly benefit Alaskans and the Alaska economy," Cowper said. "State investment in the Wishbone Hill project is appropriate because it's the state's business to assist private industry with transportation systems. Idemitsu Kosan is a responsible company that has worked closely with the Alaskans who will be most directly affected by this project."

"We appreciate Governor Cowper's understanding and the cooperation of local and state officials in getting this project moving," said Jiro Hayashi, Director and General Manager of the Idemitsu Kosan Energy Development Department. "We look forward to a long and productive relationship with Alaska that will benefit us both."

Idemitsu Kosan has been in the process of developing the Wishbone Hill coal reserve located northeast of Palmer for the past two and one-half years. The coal is to be mined and then shipped by covered truck 12 miles to the railroad terminal in Palmer. There it will be washed before shipment on the railroad to the Suncel coal loading facility in Seward.

Last April, Cowper and the company signed an agreement to permit improvement of the Glenn Highway.

The state is contributing \$3.5 million toward road improvements; the company is funding the other half. The first coal is expected to be produced by November 1991 and about 1 million tons will be shipped annually.



Governor and Congressional Delegation Request Consulates

Governor Steve Cowper and Alaska's congressional delegation have asked President Bush to support the opening of an American consulate in Khabarovsk, USSR, and a Soviet consulate in Anchorage.

"These offices would provide valuable services to support our efforts to promote business, cultural and social exchanges and transactions between Alaska and her neighbors to the west," Cowper, Senators Ted Stevens and Frank Murkowski and Representative Don Young wrote in a letter to Bush this week.

"The number of people traveling between Alaska and the Soviet Far East has increased substantially and rapidly. Your favorable consideration of this request will help with visa approvals and other matters important to travelers," they said.

The U.S. currently has an embassy in Moscow and a consulate in Leningrad, but offers no formal diplomatic services in the Soviet Far East. The Soviet consulate closest to Alaska is located in San Francisco.

Alaska officials requested that the additional U.S. consulate office be located in Khabarovsk because the city serves as the economic center for the Soviet Far East and is the aviation hub of the region. In addition, Alaska Airlines is seeking rights to fly between Alaska and Khabarovsk.

"The absence of a U.S. consulate office in the Soviet Far East complicates our efforts to increase Alaska-Soviet trade," Stevens said. "Soviets who wish to travel to Alaska have to obtain visas from the American embassy thousands of miles away. We must improve our services if Alaskans are to develop closer business, cultural and educational ties with the Soviets," Stevens added.

"We are making good progress in efforts to create direct air routes between Alaska and Soviet Far East," Murkowski said. "These routes will be hard to support if the process of getting a visa for an Alaskan or Soviet continues to involve three or four weeks of waiting." •

*Special thanks to the following
for their generous donations and
contributed services to the
Northern Regions Conference.*

*Anchorage Convention & Visitors
Bureau, Bill Elander - President*

Bankston & McCollum

*Central International Law Firm
Dr. Byong Ho Lee - Senior Partner*

*King Career Center
International Trade Program*

*World Trade Center, Anchorage
Carolyn DePalatis, Manager*

Non-Profit Corporation Formed to Manage the Northern Regions Conference

A non-profit corporation, with a twelve member board of directors, has been organized to facilitate fund-raising and marketing for the September 16-20 event scheduled for the Egan Convention Center in Anchorage.

"The formation of the Northern Regions Corporation and the broad reach of its board members should allow us to make the Northern Regions Conference one that is the product of the entire Alaskan community, not just of state government," said Bob Poe, Director of the Office of International Trade (OIT).

Bob Poe, Director of OIT, was elected Chairman of the Board and Sam Salkin, CEO of Alaska Commercial Co., accepted the nomination for Vice Chairman with Walt Alexander, a Partner in Coopers and Lybrand, agreeing to serve as Treasurer. Other members of the board include:

Mr. Brian Bell, Senior Manager of Federal Express
Mr. Willie Hensley, President of NANA Corp.
Mr. George Krusz, CEO of Alaska State Chamber of Commerce
Mr. Bill MacKay, Regional Vice President of Alaska Airlines
Mr. John McGill, Executive Vice President of Alascom
Mr. Rick Nerland, President of Mystrom Advertising
Ms. Lisa M. Parker, Public Relations Mgr. of Cominco Alaska
Ms. Ann Parrish, Board of Regents - Univ. of Alaska
Mr. Ron Sheardown, Canadian Consulate Representative

According to Sam Salkin, the private sector is an integral part of the conference management because, "Governor Cowper made a commitment to bring this 'once in a decade' group to Alaska, giving northern leaders and thinkers an opportunity to understand the central role Alaska can play in developing cooperation in the north."

The formation of the Northern Regions non-profit corporation provides an opportunity for the private sector and state government to work together for the good of northern communities and Alaska.

*The Northern Regions Board of Directors would like to recognize the
following organizations for their endorsement of
the Third Northern Regions Conference.*

*Arctic Research Commission
Fletcher School of Law & Diplomacy - North Pacific Program
Fridtjof Nansen Institute
Industry Science & Technology Canada - Yukon Region
Institute of Geography of the USSR - Academy of Sciences
International Union for Circumpolar Health
Norwegian Polar Research Institute
Province of British Columbia
State of Alaska - Governor's Office*

Third Northern Regions Conference Gathers Momentum

An International Advisory Board, appointed by Gov. Steve Cowper to help design the format of the Third Northern Regions Conference, met in Anchorage in November '89. The result - "Cooperation in a Changing World" - an eleven nation meeting to address critical northern issues and models for cooperation in the new decade.

Three tracks will be featured at the four-day conference.

Governor's Summit: Environmental Cooperation In A Changing World

The Governor's Summit, scheduled for Monday and Tuesday, September 17-18 (Egan Convention Center, Anchorage) is an opportunity for regional leaders to explore models of cooperation and address common environmental concerns. Each leader will prepare an eight page paper - prior to the summit - that discusses current environmental problems facing their region, and strategies to deal with them. Regional cooperation to help solve existing and future environmental challenges will also be discussed.

"I see this summit as particularly significant because it is only this year that regional leaders from all eleven nations could sit down together and discuss common problems of the environment. We all know that environmental problems have no regard for national boundaries; yet international politics - until very recently - did not permit the Soviets to sit down with the Canadians or the Chinese to discuss cooperative management of ocean resources. I intend to offer regional leaders the opportunity to discuss these topics and hopefully begin a process of inter-regional cooperation. Alaska has a lot to offer and a lot to learn from other regions; the sharing of information is the first step," Governor Cowper said.

Governor Cowper has issued approximately 37 invitations to regional leaders in the eleven participating nations: Canada, China, Denmark/Greenland, Finland, Iceland, Japan, Norway, South Korea, Sweden, USA and USSR. Conference papers and discussions and proceedings will be published in a series of monographs on the Arctic and North Pacific late 1990.

International Business Forum

The International Business Forum will feature prominent private sector leaders in the fields of international business and management in the Arctic and North Pacific. Former U.S. Ambassador to South Korea, Mr. Richard Walker, and the Governor's Distinguished Scholar at the University of Alaska Center for International Business, Mr. Masada Shibusawa (visiting from Japan) will help organize the forum.

The forum will focus on industrial development opportunities and constraints in northern regions. Sections on international law, taxation, capital and strategic planning will be presented by private sector business leaders. A special panel featuring trade leaders from USSR and China will address business development in controlled and planned economies.

The two-day forum is scheduled to begin Tuesday, September 18 and conclude Wednesday the 19th.

Workshops: Political & Environmental Sustainable Development

The conference will offer a series of workshops designed for specialists in the Arctic/North Pacific and individuals or organizations interested in the topical areas.

Political Section. International Advisory Board Member, Kari Motolla (publisher of Arctic Challenges, and political advisor to the Finnish Ministry of Foreign Affairs) will join international lawyer and Alaskan, Gregg Brelsford (former editor of the Harvard International Law Journal and currently with Central International Law Firm in Seoul, Korea) to organize four workshops to be offered September 18th and 19th.

Economic Section. Dr. John Sibert, Executive Director of Alaska Science and Technology Foundation (and former Yale and Cal Tech professor), has accepted the key organizing and advisory role for the economic development section of the conference. These workshops will feature scientific and technological topics relative to economic development in the North. Four sections will be offered over two days.

Social Section. International Advisory Board Member Dr. Hart Hansen will join Alaska's Inuit Circumpolar Conference representative, Ms. Edna MacClean to organize four workshops during the two-day period. Education, health, and indigenous peoples rights will be featured. Dr. Hansen, a resident of Copenhagen, Denmark, is the President of the Circumpolar Health Union and an expert on circumpolar health.

Environment Section. These workshops will be organized in conjunction with the Governor's Summit on Environmental Cooperation. Resource persons are still being contacted.

Conference staff members include: Ginna Brelsford, Project Manager, Jeri Powers, Project Assistant and Jodi Grendahl, Correspondence Secretary. If you have any questions or wish to volunteer for the conference the team may be reached at (907) 561-2260.

Korea's Interest in Alaska Rising

by K.S. Yang, Ak. Representative

KATFA '89 (Korea Alaska Trade Fair, March 3-6, 1989), was the largest international promotional event ever sponsored by Alaska, and also the first trade show of its kind in Korea. Over 80 Alaskans from 23 different communities, businesses or associations attended the trade show.

Plans and preparations are in place, ready to make KATFA '90 an even greater success - all it needs is you! Don't miss out, Alaska and Korea are entering an exciting time of expanding trade and economic ties.

In the year following KATFA '89, Korean interest in Alaska has increased dramatically. Tourism related requests increased 85 percent in 1989. Likewise, seafood inquiries were up 33 percent and timber requests grew by 28 percent.

KATFA provides an excellent opportunity for Alaskan and Korean businessmen to meet. Mr. S.S. Kim, President of Superstar Travel Service credits KATFA with prompting him to plan a series of Alaska package tours - bringing approximately 800 Korean tourists to Alaska in 1989.

Korea's interest in Alaska is on the rise. The most exciting industry development is Korean tourism. Since the Korean government liberalized travel restrictions on January 1, 1989, there has been a drastic increase of passport applications. Koreans are very interested in visiting Alaska, providing an excellent opportunity for Alaskans.

Korea is also very interested in Alaska's seafood and timber products. Alaskan seafood imports to Korea nearly doubled from 1988 to 1989. Korea is also a growing market for Alaska's timber, in fact Korea's demand is exceeding Alaska's supply.

KATFA '90 will provide an excellent opportunity to inspire the hearts of Korean people with an interest in Alaska - thus giving Alaskan firms a strong competitive edge in the Korean marketplace. •

International Ice Carvers Compete in Anchorage's First Contest

Anchorage recently hosted their first International Ice Carving Competition, luring thousands of curious observers. The carvings were quite unique and impressive, especially when you watched the transformation from a huge block of lake ice into a traditional or abstract work of art.

A panel of judges selected the carvings for first through third place. In addition, there was a People's Choice Award and a Carver's Choice Award chosen.

Selected for first place as well as the Peoples Choice was a traditional carving of a Chinese lion with a woman warrior battling a dragon. The winning sculpture was carved by Kazu Ogino and Frank Sullivan of Century Plaza Hotel in Los Angeles, California.

Second place went to the Chinese team of Qiao Chang Yi and Pang Juk Ung, of Harbin, Heilongjiong Province. They carved a traditional Chinese lion holding a ball.

Francis Cuny and Christian Claudel from France placed third in the carving and also received the Carver's Choice award. Their unique sculpture was a graceful, free flowing abstract called "Aqua Viva".

Exports . . . (cont. from page 1)

million. Miscellaneous exports include glacier ice, reindeer antlers, native arts and crafts, jewelry and Lower 48 products shipped through Anchorage International Airport, many of which go through the new Federal Express terminal there.

Japan remains Alaska's number one export client. Total sales to Japan increased 23 percent to \$1.8 billion. Korea is Alaska's second largest trade partner, with Alaska goods and services in 1989 posting a 2 percent increase in sales for a total of \$173



Photo by Greg Curtis

Winner of the Peoples Choice & 1st Place.

There were two other International teams who travelled to Anchorage for the competition, Kenji Ogawa from Sydney, Australia, and Yoshio Moriya and Masa Yuki Ieda of Hotel Nikko Chitose in Chitose, Japan.

There were 11 teams competing, 4 from countries other than the U.S., 1 from California and the other 6 from Anchorage or Fairbanks.

The competition was an overwhelming success, according to the event organizer, Frankie Whitman of the Downtown Anchorage Association, Inc. She was especially pleased with the enthusiasm of the carvers, the support of various groups within the community who hosted the competitors and the interest of the public.

million, a \$4 million increase over the previous year.

The opening of the Green's Creek mine in southeast Alaska and more competitive seafood prices contributed to a 28 percent increase, an \$18 million jump, in exports to Europe.

These latest export figures do not include approximately \$500 million worth of seafood products shipped through Seattle which are not counted as Alaska exports. •

Taiwan Tourism Promotion Planned for May

by Li Chen, Alaska State Representative

Tourists from Taiwan are a rapidly growing resource, one that Alaskans are capable of cashing in on. International departures from Taiwan reached 2.1 million in 1988, an increase of approximately 40 percent over the previous year. Over 10 percent of the island's population traveled internationally

Approximately 158,000 traveled from Taiwan to the United States. This represents a 12 percent increase over last year, and the number of tourists is expected to continue growing. Tourist visa issuance increased approximately 40 percent last year.

According to Mr. Rolf A. Klug, Director/General Manager of International Marketing and Sales for Holland America Line, over 1,000 people from Taiwan visited Alaska last year. Mr. Klug also indicated that tourists from Taiwan are willing to spend money for a comfortable vacation. Generally they like to stay in the best rooms on the ship and fly business class, showing that tourists from Taiwan do have money and are willing to spend it.

A high standard of living and education plus continuing economic growth in Taiwan makes it possible for

more and more people to travel abroad. Taiwan's economic performance in the past years has been remarkably strong. The gross national product is estimated to exceed 4,000 billion New Taiwan dollars, with per capita GNP reaching 8,500 U.S. dollars.

Space, endless land and nature are things that sharply contrast the daily life of the people who live on Taiwan, a crowded island with a very high population density. The people of Taiwan will be fascinated by Alaska's beautiful parks, exciting fishing, wild animal viewing, fresh air, glaciers, free open space and more. Adventure is a new and challenging concept. Likewise, they do not know much about nature and it may take them some time to understand and learn to enjoy what Alaska has to offer. It is up to Alaskans to show the people of Taiwan a good time the Alaskan way.

A familiarization trip for major Taiwan tour wholesalers and several newspaper reporters is being arranged in May. Sponsors of the event include; Alaska State Office in Taipei, Taiwan, the Governor's Office of International Trade, State of Alaska Division of Tourism, Northwest Airlines, Alaska Airlines, several Convention & Visitors Bureaus in various Alaskan communities and others. We hope this trip will help create a greater interest in Taiwan to visit Alaska.

I would like to take this opportunity to thank all of the organizations and businesses who are helping to make this Fam trip successful. They are the ones in the front line - making Alaska's tourism industry boom.

KATFA . . . (cont. from page 1)

"I'm going to encourage my clients to attend," said Ron Garzini of Garzini and Associates. "It's an excellent potential economic development opportunity."

Korea is Alaska's second largest trading partner - with approximately \$174 million (according to ACIB) in Alaskan goods and services exported in 1989. KATFA '90's goal is to increase and expand trade between Alaska and Korea. With Korea's rapid industrial growth in recent years, a sharp reduction in national debt, movement to a free and democratic society, and sharp increases in the standard of living, the time is ideal to promote Alaska's products, services, strategic location, and natural resources.

KATFA '90 Alaskan sponsors include the Alaska-Korea Business Council, the Alaska State Chamber of Commerce, and the Governor's Office of International Trade. KATFA '90 is supported in Korea by the Alaska State Office - Seoul, the Korea-U.S. Economic Council, the Korea Chamber of Commerce and Industry, and the American Embassy. KATFA '90 is an exciting opportunity for first-time travelers and those experienced in doing business in Korea. Offering an opportunity to exhibit their product or service, make business contacts, establish trade relationships, explore joint venture opportunities, promote tourism attractions, and learn more about Korean customs and business protocol.

Contact Katelyn Carrigan, Project Coordinator, at the Office of International Trade for more detailed information or for a registration packet. Deadline for application is May 4, 1990. •

Trade Lead Bulletin

Export Trade Leads

JAPAN

Hilka International Co., Ltd.

Mr. Nakamura
Okazakibashi Central Bldg. 2F
1-1 Nishi Hon-Machi
Nishi-ku, Osaka City, Japan
PHONE: (06) 533-3121
FAX: (06) 533-3103

Japanese importer wishes to import novel (non-food) merchandise. Contact Mr. Nakamura directly with catalog & price list.

Highland Overseas Limited

39-21 Takeda Okenoicho
Fushimi-ku, Kyoto-City 612
Japan

Company seeks to import Alaskan snow crab. Order volume, 400-500 Kg. air freight.

Yasui Electronic Publishing Co.

Mr. Ryoh Sogawa, Overseas Div.
2-11 Shibakoen, 2-chome
Minato-ku, Tokyo 105, Japan
PHONE: 3-433-2855
FAX: 3-433-2580

Program supplier for Japanese Television interested in Alaskan adventure and documentary films / videos.



Fish World Co., Ltd.

Mr. Koji Iwayama
1-7-3, Kiba, Kushiro-cho
Hokkaido 088-06, Japan
PHONE: 0154-378677
FAX: 0154-370325

Company wishes to import frozen bottom fish (thornhead and turbot).

Kaido Co., Ltd.

Mr. Masao Hashimoto, Director
1st Floor, Palace 316 Bldg.
Higashi 6, Kita 31
Higashi-ku, Sapporo 065, Japan
PHONE: 011-704-8111
FAX: 011-704-8222

Importer wishes to buy frozen Geoduck clam, hard clam, and mussels.

KOREA

Kas-Delta Co., Ltd.

Mr. J.H. Lee, Managing Director
540 I Street, Suite 201
Anchorage, Alaska 99501
PHONE: (907) 274-0133
FAX: (907) 277-6381

Distributing company wishes to export fresh Pacific cod to Korean firm Ying Yuen.



Sung Dong Fishery Co.

Mr. Duk-Soo Hyun, President
652-4, Nampumim-Dong
Seu-ku, Pusan, Korea
PHONE: (051) 243-1163
FAX: (051) 242-9263

Firm interested in importing frozen Pacific cod and Atka mackrel.

TAIWAN

A. DSC Enterprise Co. Ltd.

P.O. Box 12355
Taipei, Taiwan
PHONE: (02) 951-6528
FAX: (02) 959-4333

Company seeks men's and women's garments and leather goods, such as; sports wear, shoes belts, and handbags.



Contact OIT at 561-5585 for additional information.

Japan Plans to Increase Imports

In the 1960's, the Government of Japan developed an aggressive program to promote exports to world markets. Since then, Japan's exports have steadily increased. Today, the country has one of the largest trade surpluses among developed nations.

In an effort to correct the country's severe trade imbalance, the Government of Japan's Ministry of International Trade and Industry (MITI) recently announced a comprehensive program to promote imports. The program's extensive measures are aimed at increasing the import levels of hundreds of goods through tax incentives, elimination of tariffs, loan programs, and buying missions.

Tax incentives, for the purpose of import market development, will cover duty-free manufactured items. Local manufacturing industries will be allowed a tax credit equal to 5% of the amount of increase in imports.

Import tariffs for over one thousand manufactured products will be eliminated. Currently, 42% of manufactured imports have a zero tariff. The new program will bring that figure to 56%.

In order to facilitate the importation of overseas goods, loan programs for domestic companies are already in place. Foreign companies will now be eligible as well, and loan limits for both foreign and domestic firms will be increased.

Internationalization centers will be established and will act as an information data bank, promoting direct consumer import, and assisting foreign companies importing to Japan. The centers as well as JETRO's 35 overseas offices will be equipped with data base terminals to provide import information.

MITI will dispatch experts overseas on import buying missions to seek potential import items and hold import exhibitions. Foreign businesspeople from the U.S. and Europe will be invited to MITI-sponsored Export missions to Japan as well.



Alaskans Get Valuable Exposure in Japanese Markets

By Kaz Hayashi, Alaska State Representative

The Alaska State Office in Tokyo, Japan has been busy helping Alaskans establish Japanese contacts for trade and encouraging Japanese investment in Alaska.

TTC: At the Tokyo Trade Center (TTC) on March 5, the American State's Import Fair I opened with great fanfare. Officials from the Tokyo Metropolitan Government, the Japan External Trade Organization, the Ministry of International Trade and Industry (MITI), and the U.S. Embassy ceremoniously launched the latest trade fair aimed at promoting imports into Japan.

The Alaska State Office Tokyo (ASOT) and the Office of International Trade worked with Alaskan companies to exhibit their products at the fair. The Alaskan companies, along with firms from five other U.S. states, are exhibiting their products for three months until the end of May. ASOT has received several requests so far for more information about the products on display, and more are sure to follow. Participants and products are as follows:

- The Alaska Doll Co. - Fur and leather Christmas ornaments, souvenirs
- Alaska Herb and Tea Co. - Alaskan herbal tea and pot pourri
- Arctic Glacier Products - Hair and skin care products
- Alaskan Brewing Co. - Alaskan beer
- Culliname Corp. - Children's book
- Eagle Smokehouse - Smoked, kippered salmon
- High Arctic Enterprises - Note cards, prints
- The Jade Shop - Jade golf putters
- Judie Gumm Designs - Jewelry
- Lorraine's Furs - Fur hats, gloves, mittens
- O.D.'s Mirror & Glass Etchings - Mirror and glass etchings
- Pat Perlman Designs - Jewelry
- Sheep Mountain Creations - Handspun and handwoven Qiviut (Musk Ox wool) garments
- S&R Distributors - Great Whale Rescue silver coins, T-shirts
- Alaska Mountain Top Spirits Co. - Attakiska vodka

FOODEX: For the first time, ASOT will man a booth at the 15th International Food and Beverage Exhibition (FOODEX Japan), taking place from March 15-17, 1990. Seventy-five thousand visitors, most of which are food-industry related, are expected to attend Japan's largest food industry show. At the Alaska State booth, three Alaskan companies will exhibit their products:

- Alaska Herb and Tea Co. - Alaskan herbal tea and potpourri
- Alaska Wilderness Gourmet, Inc. - Jams, jellies, marmalades, honey; made from Alaska's wild berries and flowers
- Alaskan Brewing Co. - Alaskan beer

Real Estate: Anchorage city leaders and real estate professionals, assisted by ASOT staff, recently visited Japan on a real estate mission, hoping to attract overseas investors in Anchorage's property market. The mission was an important step in showing the Japanese that local government is receptive to foreign investors. Of interest was Anchorage's condominium market, the prices of which are a fraction of

similar home prices in Japan. Delegation members included officials from the Anchorage Economic Development Corporation, Alaska Housing Finance Corporation, Anchorage Chamber of Commerce, Anchorage Municipal Assembly, and several local real estate companies.

Alaska Trade Report: ASOT has recently developed the Alaska Trade Report, a bulletin highlighting Alaskan companies and their products. Distributed to over 100 Japanese companies and press agencies, this report is another vehicle to help your product enter the Japanese market. If you are interested in having your company listed in the Alaska Trade Report, please contact ASOT directly or through the Office of International Trade. ASOT's address: Alaska State Office Tokyo, Yamakatsu Bldg. 5-F, 1-40 Toranomom 4-chome, Minato-ku 105 Tokyo, Japan [Fax# (011) 81-3-436-5039].

South Denali State Park: The South Denali Visitor Complex is part of an extensive plan to make Denali Park one of the state's most popular visitor attractions, complete with recreational facilities and full accommodations. One element of the complex, a 100-250 room hotel, will be built by private industry from Alaska, the U.S., or overseas. The Alaska Department of Natural Resources (DNR) will award a long-term concession contract to design, build, and operate the hotel using an open, competitive bidding process. ASOT has been assisting DNR with distributing information regarding the planned hotel to various Japanese development firms and organizations.

Making Profits Out of Seafood Waste

For the first time international experts on fish by-products will gather to discuss the newest technologies and economic possibilities of fish processing waste. "Making Profits Out of Seafood Waste", a three day conference is scheduled for April 25-27, 1990, in Anchorage, Alaska.

According to Peter Moore of Alaska Fisheries Development Foundation and conference chairman, "this conference is really going to be the turning point for use of fish by-products in Alaska, the trend of the future is going to be to make profits from the whole fish."

Sponsors of the conference include; Alaska Fisheries Development Foundation, University of Alaska-Sea Grant College Program, the UAF Agricultural and Forestry Experiment Station, National Marine Fisheries Service and Iceberg Seafoods. To register contact Peter Moore at (907) 276-7315; Fax (907) 278-2140.

Korean Timber Demand

Official estimates by the Korean Office of Forestry bring the aggregate demand for logs in that country up to 9,683,000 cubic meters for 1990. This is an increase over 1989 due to new construction demands. Local suppliers will provide some 1,508,000 cubic meters, while the remaining 8,175,000 cubic meters will be supplied by foreign countries [1 cubic meter @ 424 board feet].

The majority of imported logs will come from Southeast Asia and the USSR, amounting to 5,000,000 cubic meters. Chile, Canada, New Zealand, and the U.S. will compete for the remaining 3,000,000 cubic meters.

That is good news for Alaskan suppliers. However, to be successful in Korea's timber market, local suppliers must be aware of a few obstacles. The following are some problems voiced by Korean timber buyers when sourcing from Alaska:

- Suppliers are small, lacking in equipment, money, and experience.
- Some suppliers have not shown good faith in filling signed contracts.
- Due to the above, some suppliers have been unable to provide the minimum volume required for chartered space during shipment.
- Many suppliers are not familiar with the paperwork for international trading.

With the majority of international business deals, friendship must be established first, as there is no other way to establish trust. Therefore, in many Asian countries and elsewhere, the business philosophy is friends first, business second.

There is a tremendous opportunity for Alaska to increase market share in the Korean log business. Given the appropriate attention, the above problems can be overcome, paving the way for Alaska's timber into the growing Korean market.

Source: K.S. Yang, Alaska State Office Seoul, Korea. •

INTERNATIONAL TRADE SHOWS



HONG KONG

May 17-20

TRADE & INVESTMENT '90, will be held in the Hong Kong Convention and Exhibition Centre. Asia/Pacific's comprehensive exhibition to match capital with trade and investment opportunities. Contact: Adsale People Inc., phone: 818-338-0787, fax: 818-962-6825.



JAPAN

June 1-4

1990 KOBE INT'L HOME FAIR, Ports Island, Kobe Japan. An international home building exposition. Contact: Global Link, Inc. (213) 821-3337.

July 18-19

VARIETY IMPEX FAIR '90, held in the Tokyo Trade Center. Fair will feature products of household goods to high quality gift items. Contact: The Bocki-Tsushin Sha, phone: 03-841-8817 & fax: 03-841-5086.



KOREA

June 18-20

KATFA '90, Korea Alaska Trade Fair is entering the planning stages if you would like to receive information please contact Katelyn Carrigan at 561-2079.

September 6-9

KOTFA '90 the premier tourism fair in Korea. For more information please contact: Katelyn Carrigan, OIT at 561-5585.



TAIWAN

May 25-29

TAIPEI INT'L HARDWARE, HOUSEWARE & BUILDING SHOW, will be held in the Taipei World Trade Center. Contact: CETRA Exhibition Dept., phone: 886(02)725-1111, fax: (02)725-1314.

November 7-11

TAIPEI INT'L GIFT & STATIONERY (AUTUMN) SHOW. To be held in the Taipei World Trade Center. Contact: CETRA Exhibition Dept., phone: 886(02)725-1111, fax: (02)725-1314.



UNITED STATES

June 18-22

MATCHMAKER CANADA, a U.S. trade delegation, organized by the U.S. Dept. of Commerce, will travel to Montreal and Toronto Canada. Contact: Marsha Iyomasa, phone: (202) 377- 8970, fax: (202) 377-0178.

August 1-3

1990 GOODWILL GAMES INT'L TRADE EXHIBITION, Seattle, Washington USA. Exhibiting future prospects for natural resources, advanced technologies, lifestyles and services. Contact: TRADEC, phone: (206)340-0545, fax: (206) 447-0359.

Alaska's Power in World Air Cargo Industry Affirmed

contributed by Alaska Int'l Airport System

Alaska has further established itself as a center for the world air cargo industry with the recent filings of Emery Worldwide Airlines and United Parcel Service for the new all-cargo gateway to Japan. The Department of Transportation has scheduled a hearing on April 23, 1990 to entertain applications for the new route.

Emery has filed an application with the Department of Transportation to operate a new service between Fairbanks, Alaska and Tokyo, Japan. The carrier has proposed to operate six weekly flights, using a DC-8-72C aircraft, on a route that would originate at their Dayton, Ohio hub. Emery currently operates several flights each week through Alaska enroute to points in the Orient. Last year the carrier routed more than 100 Orient bound flights through Fairbanks.

United Parcel Service (UPS) has applied for a new service between Anchorage, Alaska and Tokyo, Japan. The carrier has proposed to link hubs in Louisville, Kentucky, Ontario, Canada and California with Anchorage. The new service would be operated six days per week with a 747 freighter aircraft. UPS currently operates several daily DC-8-72F flights to Anchorage from their Lower 48 hubs, as well as service to Seoul, Korea and Hong Kong.

Under the terms of the new U.S.-Japan Memorandum of Understanding, the U.S. may designate one new carrier to operate a scheduled all-cargo service from a point in the U.S. to Tokyo.

Alaska Pulp Corporation - 30 Years & Counting

contributed by Rollo Pool, Alaska Pulp Corp.

Alaska Pulp Corporation (APC), based in Sitka, has recently completed 30 successful years of exporting. Two Southeast Alaska pulp mills helped pioneer export trade from the 49th State to the Pacific Rim and beyond.

Before Alaska was even a state these two pioneer companies became business partners overcoming investment risk and fear of the unknown. Today Alaska Pulp is Alaska's largest year round manufacturer.

Buyers for Alaska pulp include Japan, Korea, Taiwan, Soviet Union, China, Mexico, and others. Alaska Pulp's product is eventually used to manufacture rayon thread, cellophane, sponges, photographic paper, high quality book paper, surgical gowns and many other products.

The Sitka based mill is owned by nearly 200 Japanese companies, most of whom are original investors in this Alaska venture. The Sitka mill employs 400 people and creates another 1500 direct and indirect jobs in the region - making APC the third largest employer in Southeast. The mill accounts for about one-third of Sitka's economy.

For the future APC is looking into new markets, technological opportunities and ways to lower manufacturing costs. But there is a dark cloud looming. Most of APC's timber comes from national forest lands through long term timber contracts, which originally encouraged the company to come to Alaska in the 1950's. Congress has legislation pending that would cancel the contract and place more lands off limits to logging and other development - which could be bad news for Alaska's timber industry.

Bering Air : Back in the U.S.S.R.

Bering Air has received permission from the Soviet Ministry of Civil Aviation to resume charter flights from Nome to Provideniya without a Soviet navigator on board.

In July 1989 Bering Air was granted permission to fly to Siberian communities without a Soviet navigator, a privilege that lasted for 4 months and over 85 flights. For three months Bering Air suspended flights to the Soviet Far East because the cost per flight went up a prohibitive \$9,500 (from \$2,500 to \$12,000) when Soviet navigators were required on board.

Bering Air credits the overwhelming support of Alaskans, Governor Cowper, the Office of International Trade, the FAA and other state and federal officials with the establishment of this international air corridor.

The new agreement is open to all Alaskan airlines and is expected to be the beginning of expanding air travel between Alaska and the Soviet Far East. The next rounds of bilateral negotiations are scheduled for April 1990. •

ALASKA

JAPAN

KOREA

Alaska International Trade Digest
Subscription Form

Please place me on your mailing list:

Name: _____

Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____

FAX: _____ Telex: _____

International Business Strategies for the North

An intensive five-week course (10 sessions), offered by Alaska Pacific University in July/August 1990, will focus on theories of international economics and business development in the Arctic and North Pacific. Topics addressed will include: International Business Strategic Planning, International Marketing, Project Management, Political and Legal Aspects of International Business, country profiles of Japan, China, U.S.S.R., Scandinavia and the EEC, and Capital sources in South Korea, Taiwan and Japan.

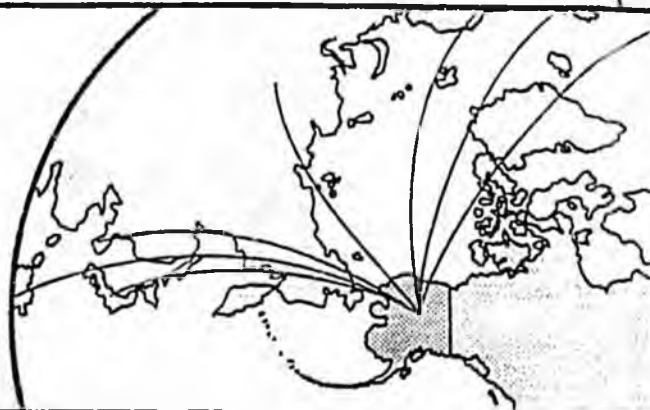
The course instructor will be Ginna Brelsford of the Governor's Office of International Trade and will feature, as guest lecturers, Robert Poe, Director of OIT and Katelyn Carrigan, also of OIT.

For more information please contact: APU Registration Office at 564-8248.

State of Alaska
Office of the Governor
Office of International Trade
3601 C Street, Suite 798
Anchorage, Alaska 99503

BULK RATE
U.S. POSTAGE
PAID
Permit No. 105
Anchorage, AK

ALASKA INTERNATIONAL TRADE DIGEST



Vol. 2, No. 8

Governor's Office of International Trade

December, 1989

Steve Cowper, Governor

Robert Poe, Jr., Director



*As another year draws
to a close, we thank you
for your friendship
and goodwill,
and sincerely wish you
a Joyous Holiday Season and
a New Year filled with Peace
and Happiness*