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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.

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Li Chen, State Representative

A message from Director Robert Poe, Jr.

• 1989 - Retrospect •

Many historians and international relations experts have begun to view 1989 as possibly the most important year in history since the ending of World War II. It's little wonder when you consider the recent democratic developments in the Soviet Union, the opposite movement in China after the Tian'amen Square massacre, and the tearing down of the Berlin Wall. We have seen parliamentary elections in the Soviet Union and will see further free elections there next year. There is now a coalition government in Poland which is not controlled by the Communist Party, and, who can predict what is in store for East Germany, Hungary, Yugoslavia and Czechoslovakia. We even saw Mikhail Gorbachev meet Pope John Paul II.



Alaska has seen some very historic events this year as well. Since Governor Cowper's Friendship Flight to the USSR in 1988, we have seen an unbelievable level of Alaska/Soviet activity in both trade and citizen diplomacy. Alaska is truly at the frontier of US/Soviet relations.

On the trade front, we saw Federal Express open its World Cargo Hub in Anchorage. In fact, Federal Express began construction on Phases II and III, further expansion of the Hub, before they opened the first facility. Along with this event, Anchorage and St. Paul were designated as Free Trade Zones (FTZ) at a time when almost no other FTZ's were being granted by the Federal Government. Mining has made major advancement with the opening of the Greens Creek and Red Dog mines. It's almost a guarantee that by the end of 1989 Alaska will have doubled the dollar value of its exports from the 1986 figure of \$1.289 billion to \$2.7 billion. And, on a much sadder note, we witnessed the nation's worst ever oil spill on Alaskan shores.

In Alaska/Japan trade, Taiyo began development of a large surimi plant in Dutch Harbor, there was forward movement on a variety of other seafood related enterprises and significant progress was made by Idemitsu Kosan on the Wish-bone Hill coal project. The Alaska/Korea relationship was highlighted by the Korea Alaska Trade Fair, substantial increases in Korean tourism, and, an unofficial visit to Anchorage by Korean president Roh Tae Woo. Also, Alaska opened its third foreign trade office in November of this year in Taipei, Taiwan.

1989 has been a time of great global change, and, in Alaska, it's been a time of real political and economic progress. The Office of International Trade (OIT) can't claim responsibility for any of these successes, only the opportunity to lend a helping hand where possible. The real credit goes to Alaskans themselves. These successes are due to a lot of hard work, open thinking, continual education, and the courage to make the investment in time and money to turn opportunities into reality. Alaska has a growing community of international-thinkers who are making a very measurable difference.

Alaska has a great deal to be proud of over the last year, and next year holds an even brighter outlook for international trade in Alaska. I invite you to look back over your past issues of the International Trade Digest to review some of the international trade accomplishments for 1989. Yes, Alaska will be facing a significant downturn in oil production in the next few years which will have significant economic impact. But, with the kind of gains we have been making on the international trade front, we can be prepared for this upcoming economic challenge.

The OIT staff and myself hope that you and your family have a wonderful holiday season and sincerely hope that 1990 holds an even brighter future for you.



State Opens Office in Taiwan

• Exporting, Tourism Promotion and Investment in Alaska Top Priorities •

by Governor Steve Cowper

On November 1, the Alaska State Trade Office at the Taipei World Trade Center officially opened its doors for business and received an enthusiastic welcome from the Taipei community. Alaska is now one of 18 states that enjoy special trade status with Taiwan.

Taiwan, located about 100 miles off the southeast coast of mainland China, is about the size of Massachusetts and Connecticut combined. Today, there are close to 20 million people packed onto the island of Taiwan, 2.6 million of whom live in Taipei - the leading business and cultural center of Taiwan.

The State of Alaska Trade Office is designed to assist Alaskans with business leads, promote tourism to Alaska, and attract business and investment in Alaska from both Taiwan and Hong Kong. It will complement the Alaska foreign trade office already operating in Tokyo and Seoul.

Taiwan enjoys one of the highest standards of living in all of Southeast Asia. It is the United States' 14th largest trade partner and has become Alaska's third largest trade partner behind Japan and Korea.

Taiwan has the second largest trade surplus with the U.S. and has launched a "Buy American" campaign targeting Alaska as one of the states it can do business with to reduce that trade imbalance.

Alaska has a lot of what Taiwan needs: Coal, timber, natural gas, oil, seafood, and many other natural resources. Alaska exports to Taiwan increased 171 percent between 1986 and 1987 and 138 percent between 1987 and 1988. Last year, Alaska sold almost \$100 million worth of products to Taiwan and they are eager to buy more. Besides Canada, Taiwan is the only foreign nation that Alaska is allowed to sell crude oil to and they would like to buy substantially more if restrictions imposed by the U.S. government were lifted.

Not only will our new trade office promote business with Alaska, it will also encourage investments in Alaska. Our state offers one of the lowest tax climates in the world and we are encouraging the Taiwanese to take advantage of that. On-shore seafood processing plants, in-state timber plants, and tourist facilities such as hotels can all work to the benefit of the Taiwanese.

We are also actively encouraging the Taiwanese to become a major global distribution hub with a direct link to Alaska. With the recent opening of the new Federal Express cargo distribution facility, Anchorage is now one of the world's key freight and cargo distribution centers. Federal Express wants to establish a distribution hub in Southeast Asia and Taiwan would be an ideal location. This network would facilitate easy and cost-effective distribution of Alaska goods to Taiwan and vice versa.

Alaska also enjoys a certain mystique that piques the curiosity of the Chinese on Taiwan. More than 75 journalists and Taiwanese officials attended the news conference announcing the opening of the new state office in Taipei. They were impressed by the sheer size of the "Last Frontier," and it is estimated that by 1992, two million Taiwanese tourists will travel abroad. With the right promotion using our new trade office, hopefully many of those visitors will come to Alaska.

Office director Li Chen, 28, has several years experience in promoting Alaska and American products to the Chinese. She worked for an international construction firm in her hometown of Beijing, was the marketing director for an Anchorage firm selling machinery to China and oversaw the state's trade efforts to China, Hong Kong, Singapore and Taiwan while working in Anchorage.



Li holds a master's in international studies from the University of Washington and a bachelor's from Beijing's Teacher's University. She speaks fluent Chinese and can act as a liaison between Alaskan and Taiwanese businessmen, cutting through red tape and cultural barriers.

On assuming her new duties, Li remarked, "Alaska is now in a position to compete with other states who conduct business in Taiwan and with our strategic location, Alaska has a distinct advantage. I have a strong commitment to my mission of

promoting the interchange of goods and services between Alaska and Taiwan and facilitating mutually beneficial trade deals."

International communications has streamlined foreign business negotiations and Alaska's Office of International Trade is in daily contact with Tokyo, Seoul, and now Taiwan. The trade office in Taipei is there to serve you, the citizens of this state, and I encourage letting it work for you by contacting O.I.T. at 561-5585 in Anchorage.

Soviet Ambassador to the U.S. : Trade Relations Will Take Time

- Diplomat's midas touch may help ease trade troubles •

First it was U.S. politicians and businessmen taking friendship flights between Alaska and the Soviet Union. Then it was regional Soviet officials, mostly from Magadan Territory, taking friendship floats across the Bering Sea to Alaska. That was 18 months ago. Now, Alaska is hosting the front line Soviet representatives in the United States.

Alaska Governor Steve Cowper and First Lady Michael Cowper hosted Soviet Ambassador Yuri Dubinin and Consul General Kamenev this fall in Sitka and Juneau. Governor Cowper and Ambassador Dubinin spoke about Alaska's agenda with the Soviet Union. Consistent themes of — trade barriers, transportation problems and visa complications— were cited as items requiring a diplomats' touch and the goodwill of politicians to resolve.

- **Major barriers and Solutions:** In 1974, Congress adopted the Jackson-Vanik Amendment to the 1974 Trade Act. The amendment states that a nation must allow free emigration of its citizen to other nations before the United States will grant it Most

Favored Nation trading status. Without MFN status, goods that enter the United States are taxed at prohibitive rates. Both President Bush and General Secretary Gorbachev are working to resolve MFN trading status by the proposed June summit.

- **Transportation:** the issue of flights between Alaska and the Soviet Far East is still not resolved; U.S.-U.S.S.R. bilaterals will be held in London this month and will hopefully take a giant step toward resolving sticky bilateral aviation issues between our two nations. Without transportation links, the relationship will suffer considerably and virtually prohibit trade from developing.

- **Consulate Office in Alaska:** Anyone traveling between the United States and the Soviet Union is aware of the cumbersome visa requirements. Secretary of State James Baker and Soviet Foreign Minister Edward Shevardnadze signed an agreement in Wyoming that will, over time, allow for visa-free travel for Natives in the Bering Strait Region. Governor Cowper has called upon our leaders to extend this privilege to all Alaskans and to open consular offices in Anchorage and Khabarovsk.

In letters to President Bush and General Secretary Gorbachev, Alaska Governor Steve Cowper outlined solutions to the barriers in trade, tourism and travel. The issues will likely be addressed at the June U.S.-U.S.S.R. summit.

1990 Northern Regions Conference

If you would like to volunteer to help coordinate the 1990 Northern Regions Conference, please contact the Office of International Trade at 561-5585. Assistance is needed in the following areas:

- Fundraising
- Public relations/international relations
- Hosting international guests before, during and after the event
- Organization of "Sideline" events.

The Governor's Office of International Trade would like to express their deep appreciation to those in the Alaskan Community who helped make the Preparatory Committee Meeting a success.

*Alascom
Alaska Center for International Business
Alaska International Airport System
Alaska Nippon Kai
Alaska Wild Berry Products
Alaska Wilderness Gourmet
Anchorage Hilton Hotel
ARCO Alaska, Inc.
City of Seward
Coopers & Lybrand
Destinations North
Mr. O. W. Frost, APU Professor
Gray Line of Alaska
Japanese Consul General
Midnight Sun Natural Food Distributors*



International Preparatory Committee Convened for September 1990 Northern Regions Conference

•Dramatic Events in Eastern Europe Refocus Conference •

Alaska Governor Steve Cowper welcomed 12 international scientists, businessmen and government officials to Anchorage November 27-28 for a two-day session to set the agenda for the September 1990 Conference. Fifteen Alaskans joined the planning session.

Given the dramatic shifts in Eastern European and Soviet Affairs, the international planning committee agreed that the focus points for the September conference would include: regional cooperation and response to global changes in politics, economics and the environment.

The conference is designed to offer northern regions the opportunity to articulate common themes and share information. But more importantly, the opportunity exists to suggest innovative models for cooperating in science, economics, environment and indigenous peoples issues.

The Northern Regions Conference will draw together government leaders (especially regional leaders), businessmen, scientists and diplomats from the Soviet Union, China, Japan, South Korea, Canada, U.S., Denmark, Sweden, Iceland, Finland and Norway. Some 350 participants are expected to visit Anchorage for the four-day event in September.

Officials from participating nations agreed to support the organization of a Governor's Summit to run simultaneously with the conference on Monday, September 17 and Tuesday, September 18. Regional leaders from all participating nations will be invited to give papers and discuss cooperative models designed to face environmental and economic challenges.

A business forum, workshops and sideline events will highlight the four-day program. Topics to be discussed

include political, economic, social and environmental responses to international political change in the North. Thirty-two workshops will be designed and four keynote addresses will be delivered.

U.S. ambassador to Denmark Keith Brown is scheduled to speak on U.S. policy in the arctic and Soviet ambassador to the U.S., Yuri Dubinin is 'favorably' considering offering the Soviets' arctic policy perspective.

A non-profit corporation will be established in Alaska to manage the Northern Regions Conference.

The Governor's Office of International Trade wishes to thank all who made the Preparatory Committee meeting a success.

International participants include:

- Larry Bagnell, Director of Yukon Industry & Science Technology
- John Dyble, Regional Development-British Columbia
- Dr. Fred Roots, Science Advisor-Dept. of Environment, Ontario
- Julian T. Inglis, Director of Environment & Conservation, Ontario
- Bill Simon, Assist. Deputy Minister on Environment, Alberta
- J.P. Hart Hansen, President-Circumpolar Health Union, Denmark
- Kari Mottola, Special Advisor-Ministry of Foreign Affairs, Finland
- Willy Ostreng, Frisjof Nansen Institute, Norway
- Secretary General Tatsuya Hori, Hokkiado, Japan
- Hiromi Sugawara, Northern Regions Research Center, Japan
- Tadayuki Masuda, Chief Research-Northern Regions Center, Japan
- Alexandr Kollantai, IMEMO, USSR

Alaska participants include:

- Tom Brigham, Transport Pacific Associates
- Henry Cole, Governor's Science Advisor
- Lee Gorsuch, Director of ISER
- Walter Hickel, Chairman-Yukon Pacific
- Dr. Diddy Hitchins, Director-Canadian Studies Program
- Dr. John Klm, Director ACIB
- George Krusz, Alaska State Chamber of Commerce
- Bill MacKay, Alaska Airlines
- Edna MacLean, Vice President for Alaska I.C.C.
- Lyle Perrigo, Arctic Research Commission
- Sam Salkin, Alaska Commercial Company
- Ron Sheardown, Miners Assoc. & Canadian Representative
- John Sibert, Alaska Science & Technology Foundation
- Malcolm Roberts, Executive Director-Common Wealth North
- Juan Roederer, Chairman-Arctic Research Commission



Announcing: The Korea-Alaska Trade Fair '90

The Korea-Alaska Trade Fair (KATFA) was heralded as an unprecedented success. Don't miss out - be a part of KATFA '90!

The Second Annual Korea Alaska Trade Fair (KATFA '90) is an opportunity for both first time Alaskans traveling to Korea, and Alaskans experienced in doing business with Korea, to come together under one roof and show Korea what Alaska has to offer. Korea - A market of over 43 million people is interested and willing to do business with Alaskans - Sponsors of this event, the Alaska-Korea Business Council, the Alaska State Chamber of Commerce, and the Governor's Office of International Trade, along with our co-sponsors, invite you to join us in building on the resounding success of KATFA '89. Don't miss out on this opportunity to establish new business relationships and make new friends at KATFA '90.

The theme of this trade fair, "Korea - Alaska: A Natural Partnership" rings true....Alaska has the natural resources and products Korea needs and desires in their dynamic economy, and Korea has the industrial strength and technology Alaska requires to build itself for the future. Korea is now Alaska's second largest trading partner, with official 1988 figures showing more than \$192 million in Alaskan exports to Korea. Continued growth is projected for 1989.

KATFA '90 in Brief:

Date: April 23 - 25, 1990
Place: Intercontinental Hotel, Seoul, Korea. (KATFA '90 was planned so that interested participants could also attend the Seoul Food and Technology Show taking place April 24 - 28.)

(see KATFA ... page 11)

Governor Cowper Announces Continued Growth in Exports

Gov. Steve Cowper announced that the sale of Alaska goods and services abroad for the first nine months of 1989 nearly equaled exports for the entire previous year. If that trend continues, Alaska's exports will increase 25 percent over last year and will have doubled since 1985, according to the latest data compiled by the University of Alaska's Center for International Business.

The figures indicate that in the three years of the Cowper administration, Alaska exports will have grown 100 percent, from the 1986 level of \$1.2 billion to more than \$2.5 billion estimated for 1989.

The Governor announced the new trade figures on the anniversary of his third year in office, which he said was devoted largely to efforts designed to strengthen Alaska's economic future and ensure a stable level of public services.

'Cowper noted that other 1989 successes - State House passage of the Education Fund proposal, improving relations with the Soviet Union, closing an oil industry tax loophole, launching the Alaska Science and Technology Foundation, opening of Federal Express' Anchorage international hub and continued cleanup of Prince William Sound - will prove especially valuable to Alaskans in the long-term.

The latest export figures, derived from U.S. Census statistics, show that sales of Alaska products totaled \$1.99 billion for the first three quarters of 1989. The bulk of those exports - \$1.84 billion - were to Asian countries, with \$71.4 million to Europe and \$55.3 million to Canada, Central and South America.

By comparison, exports through the first three quarters of 1988 were \$1.68 billion. Total exports last year grew to

\$2.06 billion. Based on current trends, the Alaska Center for International Business estimates 1989 exports will grow between \$2.5 billion and \$2.7 billion when final 1989 figures are in early next year.

For the first nine months of this year, Japan was the largest foreign consumer of Alaska goods and services, buying \$1.5 billion worth of fish, timber, petroleum, and mineral products. Korea bought \$122.2 million, Taiwan \$74.3 million and China \$49.3 million. Those levels represent sizable increases for each country.

"These figures prove that our economy doesn't have to be supported by crutches such as government-financed construction projects. It can stand on its own," Cowper said. "Exports translate directly into jobs for our people."

A major reason for the overall increase is a 35 percent rise in the export of Alaska seafood products, which jumped from 450 million pounds in the first nine months in 1988 to 620 million pounds for the same time this year.

According to a U.S. Department of Commerce formula, each \$1 billion in export generates about 10,000 jobs in the lower 48 or about 8,000 jobs in Alaska.

Cowper said that one of his top goals as governor has been to transform Alaska's economy from one dependent on government spending and boom and bust construction cycles to one equipped with the skills to make productive use of Alaska's geographic advantages in the Pacific Rim. He said Federal Express Corporation's decision to locate its international hub in Anchorage is one piece of evidence that Alaska is a major player in international markets.



President of South Korea Shows Personal Interest in Alaska

Although President Roh, Tae Woo's visit to Alaska November 18th and 19th was an "unofficial" visit on his way to Europe, it sent a clear message of his interest in Alaska. "Clearly he believes that Alaska is the number one state in terms of relations with the Republic of Korea," Governor Cowper stated, "He believes Alaska is a part of their economic plan of the future."



President Roh, in a speech given at a private dinner party hosted by Governor Cowper, stated, "among the states of the United States of America, Alaska is the closest geographically to Korea. This happy fact has allowed the relationship between Alaska and Korea to expand through more and more exchanges..." Roh continued, "with the changing structure and dynamics of the world, the Pacific Ocean — once a limitless body of water separating the East and West — is increasingly becoming a channel for exchange of people and culture. Alaska and Korea are now neighbors of an economically vibrant community of the Pacific. I am confident that through increased trade and more frequent exchanges, a strong partnership can be established."

Governor Cowper and President Roh also had a private meeting on Sunday prior to the President's departure. In the meeting fisheries and tourism were discussed. Governor Cowper also said details of a letter of intent to purchase of liquefied natural gas from the North Slope are being worked out.

Currently Alaska exports approximately \$200 million a year to South Korea, predominantly coal, fish and timber products. Alaska has the highest percentage of Korean population of any state in the United States with approximately 8,000 Koreans living in Alaska. And in 1989 Alaska also played host to over 800 Korean tourists.

President Roh's entourage of over 160 members arrived in Anchorage at 5:50 a.m. on Saturday, November 18th. The President was warmly greeted by a small group, which included Governor and Mrs. Cowper, Mayor and Mrs. Fink, former Ambassador Richard Walker, Chief of Staff Garrey Peska, President of the Korean Community Dr. Won Chung, Robert Poe, and Chairman of the Alaska-Korea Business Council Loren Lounsbury. Hundreds of flag-waving Korean community members greeted the President as he departed the airport terminal.

During his stay in Anchorage President Roh and his wife enjoyed a dog-sled and snow-mobile ride around Goose Lake outfitted in fur parkas, hats, and gloves from David Green Master Furrier. He also attended a reception for the Korean Community at the Sheraton Howard Rock Ballroom, and a reception for approximately 50 Alaskan couples at the Hotel Captain Cook.

Although this was not his first visit to Alaska, President Roh was impressed by Alaska's scenic beauty. The President was introduced to a variety of Alaskan products including Attakiska Vodka, Taku Smokeries smoked salmon, Baldwin Forget-Me-Not seeds, Indian Valley Meat products, Silver Lining Seafood products, Glacier Fresh care products, and Alaska Sausage Company lox which were placed in welcome baskets. He was also served Alaskan seafood products, Chinoock beer, and Alaska Supreme Ice Cream topped with Alaska Wilderness Gourmet berry products at the dinner hosted by the Governor.

"I am positive, said Bob Poe, we will see many benefits from this visit in increased trade and tourism in the near future."

The Future of Alaska's Timber Industry

Alaska's timber industry is planning for the future. World timber demand is up, and loggers around the state are concerned with ensuring a steady supply of wood products for the 1990's.

In Juneau, Alaska's largest timber company, Klukwan, Inc., joined the ranks of timber companies looking ahead. A recent joint venture between Klukwan and the China State Investment Corporation of Forestry was established to provide China with building products and technology. Klukwan is perhaps one of the state's most aggressive native corporations, and the joint venture was the first of its kind since this summer's troubles in China.

At an October 21 conference in Haines, the Alaska Loggers Association (ALA) met to discuss the situation for wood products in the next decade. The theme for the meeting was "Charge Into the '90s," looking at what the timber industry can do today to provide an active, productive future for the industry. Featured speakers included K. David Hancock, chairman of the National Forest Products Association, several representatives of local sawmills and pulpmills, and guests from Pacific Rim timber industry.

Items under discussion included settling of the Tongass National Forest issue, the continuance of good markets for timber products, and cooperation among local companies to provide a steady supply of wood products.

A new committee called the Forest Alliance was formed at the meeting by ALA board members. The committee will focus on issues concerning forest practices, water quality, and wildlife habitat regulations. The committee will also direct its efforts at supporting nationwide supply stabilization.

Trade Lead Bulletin

Export Trade Leads

SOVIET UNION

Bering Strait Joint-Stock Co.

D. Comyshkov, Manager
686710 Anadyr
Magadansskaya obl.
Company seeks joint venture partners in Sea Product Industry and Processing, Reindeer Industry and Processing.

Skornyakov, Konstantin Leonidovich

Komsomol
685000 Mgadan, Pushkin Street 5
PHONE: 295-58, or 250-89
FAX: 298-58 for Skornyakov
Businessman seeks joint venture investment and clients for boat tours and tourism adventures.

JAPAN

Nishizawa Ltd

Mr. K. Matsui, Import Manager
12-5 Nihonbashi Kodenma-Cho
Chuo-ku, Tokyo
Fax: 03-661-0726
Japanese trading firm is interested in expensive, unique Alaskan native handicrafts including dolls and baskets. Please contact Mr. Matsui directly.

Nippon Polaroid Kabushiki Kaisha
(Polaroid Corporation of Japan)

Nippon Polaroid has established the trade section for importing American products such as photographic products, sporting goods, recreational goods, arts and crafts. Please contact Alaska State Tokyo Office, PHONE: 03-436-5285, FAX: 03-436-5039.

Ohyama Corporation

Room 902 Dormir Gotanda Unmaison
2-9-7, Nishi-Gotanda, Shinagawa
Tokyo 141, Japan
PHONE: 03-7794582
FAX: 03-779-4583
Firm seeks to import Flounder, Halibut, King Crab and Tuna.

KOREA

New Star Trading Co.

16-1, Noryangjin-Dong, Dongjak-Ku
Seoul, Korea
PHONE: (02)813-7220, 817-3442
FAX: (02)815-7221
Company wishes to import: Sea Cucumber, King Crab, Alaskan Gemstone, Animal Bone and Horn.

Ying Yuen Trading Co., LTD.

Lee, Jung-Hyun, Managing Director
4F-02 KOEX, 159 Samsung-Dong
Kangnam-Ku, Seoul Korea
PHONE: 551-6936-7
FAX: 551-6938
Firm seeks Reindeer Horn, Alaskan Gemstones and Minerals.

TAIWAN

High Done Industrial Co., Ltd.

No. 1, Alley 2, Lane 287
Nankang Rd., Sec. 1
Nan Kang, Taipei
FAX: 2-7863948
Firm seeks houseware, kitchenware, cleaning products, educational supplies, gifts and toys.

Contact OIT at 561-5585 for additional information.

Alaskan Export Opportunity

The Tokyo Trade Center (TTC) was established in 1983 by the Tokyo Metropolitan Government. Originally, TTC was established to promote the export of Japanese products and facilitate industrial and trade development. But now, TTC is diversifying its use to also promote the import of foreign products in the new TTC Import Promotion Section.

To promote imports, the TTC is sponsoring and organizing an "American States' Import Fair". The fair will introduce American products to Japanese buyers by displaying the companies' product samples and catalogs.

The Alaska State Office in Tokyo, Japan and OIT are facilitating Alaskan companies' participation in this fair. Your catalogs and products will be displayed from March through May, 1990, during which time approximately 2000 to 4000 people are expected to visit. Bilingual attendants will be available to answer preliminary inquiries about your product. A directory of all participants will be available at the end of the show. Participants will be responsible for freight and customs duties and insurance for their product samples.

There will be a meeting for interested exhibitors on January 8, 1990 at 2:00 - 3:30pm in the Governor's Office Conference room, Suite 758. Please call Katelyn Carrigan by January 5, 1990 to confirm your attendance at this meeting. The deadline for confirming your participation in the "American States Import Fair" is January 19, 1990.



Tokyo Office Celebrates 25th Anniversary

by Kaz Hayashi, Alaska State Representative

The November 1989 issue of *Business Tokyo* (a monthly business magazine) published an article titled "Access Japan: Profits and Pitfalls in the Japanese Market". This article introduced and discussed what state offices do in Tokyo, Japan. It also credited the State of Alaska as being the first state to open a representative office in Japan. Alaska opened the first government office in Tokyo, Japan in December of 1964.

During the past twenty-five years, the Japan Office has witnessed a continuous Japanese interest in Alaska. For example, there was (and still is) interest in Alaskan investment opportunities for Japanese investment such as timber and fish. Then there was the possibility of oil. Now, as Alaska works to diversify its economy, additional opportunities are emerging such as joint-ventures, value-added products, and tourism.

Business people and citizens of the State have had a continuous interest in Japan also. This interest spans all facets of business and culture and education and government. Alaskans have had a long business relationship with Japan, again, mainly in fisheries and timber.

This relationship has expanded to include the potential for exporting other natural resources like coal, mineral and natural gas. There have been many cultural exchanges between Alaska and Japan; there are several sister-city relationships between Japan and Alaska and sister school relationships count more than seventy between Hokkaido and Alaska. The Tokyo Office has encouraged and in many cases helped to facilitate these types of business and cultural exchanges.

During the twenty-five years of existence, several Alaskans have served as director of the Alaska State Office, Tokyo. Mr. Hubert Gellert, 12/64-1/66 (Alaskan); Mr. Yoshio Katsuyama, 3/65-12/79 (Canadian); Mr. Gary Vancil 9/79-3/80 (Alaskan); Mr. Pete Jeans, 9/79-3/80 (Alaskan); Mr. Charles Gibson, 3/80-1/83 (Alaskan); Mr. Pete Hocson, 1/83-9/83 (Alaskan); Mr. Bill Overstreet, 9/83-3/85 (Alaskan); and Mr. Kazunaga Hayashi, 4/85 to present (Japanese). Through the Alaska State Office, these individuals have helped to facilitate trade and trade relations between Alaska and Japan.

The Alaska State Office in Tokyo continues to facilitate business and trade by providing services that include, but are not limited to, counseling and advice, trade show assistance, trade missions, information, cultural/educational exchanges, and fisheries market reports. The Alaska State Office is not here to push papers, it is here to help you enter or expand your product's share of the Japanese market in addition to attracting investment opportunities to Alaska. We've had a twenty-five years experience in helping Alaskans to export and trade with Japan. We look forward to the next twenty five years.

Gourmet Alaskan Salmon in Japan

On December 10th Hankyu Oasis department store in Osaka, Japan will celebrate the grand opening of an "Alaskan section". David Purvis, of Josephines and Michel Villon formerly of O'malleys restaurants, winners of the Hankyu - Alaska Salmon Bake-off, will prepare their dishes for the occasion.

"Alaska seafood is the first choice of Japanese consumers because of its reputation for freshness and quality, and wild Alaska salmon is the premier product," said Robert G. Poe, Director of the Office on International Trade.

The Hankyu - Alaska Salmon Bake-off was held at the Anchorage Museum of History and Art on Tuesday October 24, 1989. The focus of the contest was to create simple non-Japanese ways to prepare salmon in hopes of expanding the tastes of Japanese families to Alaskan salmon. The Bake-off was sponsored by Hankyu Oasis Inc., Alaska Mountaintop Spirits Company, and Governor Cowper's Office of International Trade.

Five chefs participated in the Salmon Bake-off, including Larry Weise of Kayak Seafood Grill, Javier Velasco of the House of Lords, and Patrick Vannis formerly of Zeppos.

Japanese Investors Interested in Anchorage Housing Market

Alaska's housing market received a boost in October as Japanese investors realized that they can buy a condominium in Anchorage for much less than in Japan. A recent article in a Japanese newspaper described the prices of Anchorage condominiums as ranging from \$15,000 - \$40,000.

In Japan, where most families cannot afford to buy a house, prices run into the millions of dollars for condominiums. Land is even more expensive. That is why the Japanese have been looking elsewhere for vacation homes. Alaska has potential for a winter vacation spot, and the Japanese are spending their savings here hoping that there will be direct flights from Tokyo to Anchorage in the future. That would bring Alaska closer by plane than Hawaii is, and travel convenience is important to vacationers with limited time.



INTERNATIONAL TRADE SHOWS

FOODEX-JAPAN The 15th International Food and Beverage Exhibition

Exhibiting your products at FOODEX JAPAN is an opportunity to make contacts with hundreds of buyers, importers, supermarket representatives, etc. from Japan, Asia and even Europe. FOODEX is the only large-scale exhibition in Japan geared towards specialists in food and beverage manufacturing and distribution. As such, FOODEX JAPAN enjoys a high reputation, both domestically and internationally.

The office of International Trade (OIT) and the Alaska State Office Tokyo, Japan would like to help you enter (or expand your product's share of) the Japanese food industry market. FOODEX JAPAN '90 presents the opportunity to: Exhibit your quality Alaskan food product. Make business/trade contacts. Establish business/trade relationships. "Test" your product with on-the-spot sampling. Discover Japanese food industry trends in food tastes, and packaging.

OIT has reserved booth space and a booth shell scheme. Also, OIT and the Alaska State Office in Tokyo are facilitating hotel and transportation arrangements to ease your participation in FOODEX. An informational letter, explaining the food show in detail, is available from the Office of International Trade. Also, an exhibitors meeting will be held on January 9, 1990 at 2:00pm at the Governor's Office conference room, suite 758. The deadline for confirming your participation is January 30, 1990.

If you would like further information about exhibiting your food or beverage product at FOODEX JAPAN '90, please contact OIT at 561-5585.



CANADA

March 19-23 GLOBE '90, Vancouver, B.C. The first International Environmental Industry Trade Fair. Offering opportunities for Business and the Environment.



JAPAN

Feb. 14-17 SPORTS & LEISURE '90, JETRO Import Fair. Nippon Convention Center. An opportunity to enter the rapidly expanding sports & leisure market. Contact: JETRO-Tokyo, (03)582-5242.

March 13-17 FOODEX Japan '90. The 15th International Food and Beverage exhibition will be held at the Nippon Convention Center. Highly regarded by manufacturers, distributors and buyers. Contact: Katelyn Carrigan or Chris Senungetuk at 561-5585.

June 1-4

1990 KOBE INTL HOME FAIR, Ports Island, Kobe, Japan. An international exposition of housing related building products and materials. Contact: Global Link, Inc. (213)821-3337.



KOREA

March 1990 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.

April 24-28, '90 SEOUL INTL FOOD TECHNOLOGY EXHIBITION, With changes in Korean lifestyles and diet, food products are the fastest growing import market in Korea. Contact: Katelyn Carrigan or Chris Senungetuk at 561-5585.



TAIWAN

March 12-16 TAIPEI INTL FOOD INDUSTRY SHOW. The growing economy of Taiwan has produced a vigorous new market for importing foodstuffs. CONTACT: Katelyn Carrigan or Chris Senungetuk at 561-5585.



UNITED STATES

May 2-4 EXPORT PACIFIC '90 - the third annual exhibition and conference on services for pacific rim traders, Civic Auditorium, San Francisco. CONTACT: Meridian Pacific Group, Inc. (415)381-2255.



U.S. - Japan Bilateral Air Service Agreement: Good for Alaska

by Anders Westman, AIAS

The State of Alaska figured prominently in the recently concluded U. S. - Japan bilateral air service agreement, signed on November 6, 1989 in Tokyo.

The U.S. government was very pleased with the new agreement as indicated by Transportation Secretary Skinner's statement that the agreement "represents the most dramatic expansion of air services to Japan since the original bilateral aviation agreement was signed in 1952".

The State had lobbied very hard for special provision in the U.S. proposal that recognized Alaska's unique circumstances, vis-a-vis overflights and the importance of trade and tourism with Japan. The new Memorandum of Understanding, which followed more than two years of negotiations, includes a specific 'Alaska' provision that allows a U.S. and/or Japanese air carrier to provide passenger service between points in Alaska and a point in Japan, other than Tokyo and Osaka. This same provision will also allow any flight operating between the U.S. and Japan

to make a stop in Alaska with full traffic rights. These new route opportunities will enable State airport officials to approach prospective air carriers that may be interested in serving Alaska's growing Japanese visitor market.

Major improvements were made in the air-cargo side as well. A second U.S. air-cargo route designation was agreed to by the U.S. and Japan. The U.S. Department of Transportation will hold a route proceeding to determine both the carrier that will operate the service and the community from which the service will originate. State officials are optimistic that Alaska will figure prominently in the route proceedings because of benefits offered by Alaska's location. Most charter flights to Japan are operated by cargo carriers, which usually stop in Alaska for refueling purposes. This increase should result in a significant traffic increase for Alaska's international airports.

KATFA . . . (cont. from page 6)

Objectives:

- To increase and expand trade.
- To introduce Alaskans to this dynamic economy and interesting culture.
- To explore joint ventures.
- To present investment opportunities.
- To assist exporters in finding agents and distributors.

KATFA Schedule Includes:

- Trade Show
- "Taste of Alaska" Grand Reception
- Seminar on "How to Do Business In Alaska"
- Briefing for Alaskans on how to do business in Korea
- Private meetings
- Optional sightseeing events

For further information on how to be a part of this exciting event, please contact:
Katelyn Carrigan, Governor's Office of International Trade
Phone: (907) 561-5585; Fax: (907) 561-4577.

Alaska's Air Cargo Future Bright

Exciting things are taking place at Anchorage International Airport. In terms of air cargo, the state's busiest airport faces a bright future.

Consider Alaska's location. Where major destinations in the U.S., Europe, and Asia are seven hours away or less, Alaska is a logical location for a cargo center. Companies with products that are needed quickly around the world may find Anchorage an ideal spot for their warehousing operations. In today's global marketplace, prompt reliability is a competitive edge.

Federal Express was the first company to act on this concept. On October 6, the company officially opened the doors to its new facility located at the Anchorage International Airport. Federal Express also acquired the cargo line Flying Tigers. Now, small parcels destined for Asia and Europe will be sorted at the company's newest facility - providing greater service worldwide.

U.S. and Japanese government officials recently reached a new agreement on an additional air cargo route between the U.S. and Japan. Several companies are expected to bid for the new route, including United Parcel Service. UPS recently expressed an interest in expanding their Alaska facility. Presently Japan is the U.S.' largest single market for domestic cargo.

Not only is Alaska ideally located for air cargo operations, but Anchorage has recently gained Free Trade Zone status. In a free trade zone (FTZ), goods or materials may be brought in from overseas, repackaged, altered, added to, and subsequently re-exported with no import duties levied. The FTZ will be an important factor in transforming Alaska into a central cargo distribution center.



ALASKA



JAPAN



KOREA



Taking the Fear Out of Exporting

Alaska International Trade Digest Subscription Form

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Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____

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What steps do you need to take when you have an idea to expand your business abroad?

On January 13, 1990, a convenient one-day seminar entitled, "Export Alaska: The Opportunity, The Means, The Future" will be held at the Egan Center from 8 a.m. to 4 p.m.

Learn, from local trade experts, the opportunities of exporting to specific countries such as; the Soviet Union, Pacific Rim and the European Communities, and the benefits of creating an export trading company in Alaska.

The featured speaker for the event is Mr. Herb Ouida, Director of XPORT Trading Company, a publicly sponsored entity of the Port Authority of New York and New Jersey, who claims his company's mission is "to take the fear out of exporting".

This seminar is a must for businesspeople desiring to export or companies needing consultations on how to become more aggressive competitors in the world market.

Cost is \$60 general, and \$45 for World Trade Center members. For further information, call 561-1615.

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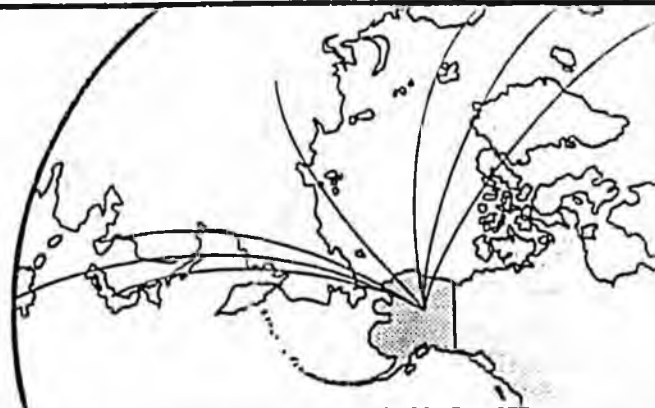
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ALASKA INTERNATIONAL TRADE DIGEST



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Governor's Office of International Trade

October, 1989

Steve Cowper, Governor

Robert Poe, Jr., Director

Alaska-Soviet Working Group, Transportation, Economics Tops Cowper Agenda on 12-day mission to Soviet Far East

Vladivostok, USSR — Governor Steve Cowper concluded a 12-day mission to the Soviet Far East with commitments from regional leaders for a joint working group to oversee Alaska-Soviet government relations. Cowper also became the first American governor to visit the Soviet Union's closest border to Alaska, on Big Diomedes Island, and the Soviet-Chinese border near Khabarovsk, USSR on the Amur River.

"With the Friendship Flight, a new era was born between Alaska and the Soviet Far East. Over the last 15 months, exchanges have afforded the opportunity to learn about each other — we come from fundamentally different systems, especially in the economic arenas. For business ties to be successful, we must continue to learn about one another and to create new systems for managing the relationship,"
said Governor Cowper.

Governor Cowper departed Gambell on St. Lawrence Island on August 30 and logged more than 6,800 miles in the Soviet Union, from the native village of Uelen — the northeastern most community on the Asian continent and home to a famous ivory carving school — to the port city of Nahodka which is south of Vladivostok and the designated region for a special economic zone. The Governor's party traveled to the Soviet Union on an American National Guard plane. The itinerary included 3 days in the Chukotka region of Magadan, 3 days in Magadan City, 3 days in Khabarovsk City and 3 days in Vladivostok. The delegation returned to Alaska on September 11.

(see Cowper's SFE trip...page 4)

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0 to 700 and Rising: Korean Tourists to Alaska

"They like Alaska too much," was the comment from S.S. Kim, President of Superstar Travel Company of Seoul, Korea. Kim, after visiting the Korea-Alaska Trade Fair held in Seoul in early March, organized the first ever package tours from Korea to Alaska. Five KAL chartered DC 10's made five back-to-back trips from Seoul to Anchorage between July 17 and August 4 carrying approximately 700 Korean tourists. Kim worked directly with Grayline of Alaska and the Clarion Hotel to accommodate the groups while in Alaska.

The 4 and 5 day tour packages to Alaska were based out of Anchorage with optional trips to Kenai for fishing, and an overnight stay at Denali. While in Alaska the Korean visitors enjoyed dinner at Alyeska, a Kenai Fjords tour, a Portage Glacier visit, and shopping in Anchorage, among other events. Most visitors were overwhelmed by the size of Alaska and the amount of green open space. "In Korea," S.S. Kim stated, "a majority of the people believe Alaska is covered with ice and snow year-round, and that is one of the hardest things we had to overcome this year in promoting Alaskan tours." Superstar Travel spent over \$100,000 on promotional receptions throughout Korea, brochures, and advertising of their Alaska program.

(see Korea...page 6)

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A message from Director Robert Poe, Jr.



On days when the Office of International Trade (OIT) calendar is full of diplomatic and other less trade-related international events, I often ask myself "Where's the beef?" These activities like the Governor's Soviet Initiative or receiving international dignitaries are all very important to an overall international trade program. But, as a small businessman, where should your efforts be focusing for the immediate future. I believe real progress can be made in the very near term (1-3 years), in three areas: international cargo distribution, value-added food products, and international tourism.

Federal Express' international air cargo hub, in Anchorage, and the staggering figures on the amount of air cargo, which is moving through Anchorage every day, are strong evidence of a new and rapidly growing industry in Alaska, international cargo distribution. Another important aspect of this picture is the new Anchorage Foreign Trade Zone. These facts should spell out to the small businessman that there is real potential for associated business in this area. If you can identify a cargo related service which is needed or an economical way to combine parts arriving in Alaska with Alaskan labor or commodities available here, you may be able to develop a real business opportunity.

A second area of focus is value-added food products. These exports to Pacific Rim nations are having some of the best success in gaining acceptance in those markets. Recently a number of Alaskan entrepreneurs have established businesses which produce smoked salmon, sausages, jerky, wild berry jams, beer and even vodka. In the past, Conventional wisdom said that these products had to be developed according to the target country's taste. However, just as several types of international cuisine gained acceptance in this country in past years, unfamiliar food products are showing success in Japan, Korea, Taiwan and Hong Kong. Alaska certainly has the resources for this type of business and the cost of entry is not too prohibitive.

The third area to look to is international tourism. I don't mean doing it on the scale of Westours, but smaller profitable operations. This issue of the OIT newsletter carries a story about the Korea World Travel Fair. Koreans are very interested in visiting Alaska, however, they do need to be accommodated in a slightly different manner than Americans. They obviously need some help with the language barrier and they might prefer to have kimchi with at least some meals, but in general they are interested in the same things our other tourists are interested in. These international markets have large populations with many market segments. If you are willing to develop a quality tourism product targeted at addressing the needs of a specific target market, I believe there are good profits to make.

If you think you have a good idea or want to explore opportunities which might be available for your company, please give the staff at OIT a call. We would be happy to help you succeed in these areas of real opportunity for Alaskans.

Anchorage Foreign Trade Zone

ON JULY 18, 1989, THE U. S. Department of Commerce approved the application for the establishment of the Anchorage Foreign Trade Zone (AFTZ). The AFTZ contains over twelve hundred acres of land at the

Anchorage International Airport, the Port of Anchorage, and five privately-owned parcels. A board consisting of representatives of each of the owners is planned to manage and market the zone.



TAIWAN



CHINA



SOVIET UNION



Cowper Announces 11-Nation Conference for September 1990

Northern Access 1990

Third International Conference on Northern Regions

September 17-21, 1990

Anchorage, Alaska

A forum designed to explore the next decade in eight key arenas and to suggest models for international economic and scientific cooperation.

The Governor's Office of International Trade launched plans to organize Northern Access 1990 — a conference on life in the North — to include an international governor's summit on the environment, eight keynote speakers, 32 workshops and 350 participants. Eleven nations will join together for four days to address critical Northern issues in international trade and tourism, transportation, cultural relations and science/technology and environment/natural resource management.

"This conference will allow Alaskans to showcase our State and demonstrate the marketability of our strategic location for an international meeting site. commented OIT Director Robert Poe.

Conference dates are set for September 17-21 with the Egan Convention Center in Anchorage serving as conference headquarters. Participating nations include: Denmark, Finland, Norway, Sweden, Iceland, Greenland, Japan, China, U.S., Canada, USSR and South Korea. A Preparatory Committee meeting is scheduled for November 27-28, 1989 in Anchorage with committee members traveling from eleven nations.

"The 1990 Northern Access event will provide a forum to discuss environmental, economic and scientific cooperation in the North with a special emphasis on changing relationships in the Arctic as a result of dramatic openings in the Soviet Arctic," noted Governor Steve Cowper.

During his recent visit to the Soviet Far East, Governor Cowper secured the commitment from the Soviets to provide two Aeroflot jets to carry Soviet participants to Anchorage for the 1990 conference.

"This conference will allow Alaskans to showcase our State and demonstrate the marketability of our strategic location for an international meeting site. We intend to do this right, to successfully host eleven nations for a worldwide event; and we expect to do it with the involvement and support of Alaska's increasing international business community," commented OIT Director Robert Poe.

Pre and post conference tourism packages will be designed and offered to international visitors. A series of

"On the Sidelines" events include a trade show, a drawing for the 'Car of the North', a fashion show on outdoor clothing with specialties from the Leningrad Fur Exchange and a unique series on Arctic tourism to focus on expedition planning. The meeting hall will showcase exhibits on each of the eleven participating nations.

"Northern Access 1990 will offer the opportunity for participants from a wide spectrum of government and business interests to better understand how nations negotiate change and cooperation in the North and how national policies and international relations intermingle to exhibit universal concern for the North," said project manager Ginna Brelsford.

Proposed workshop topics include, but are not limited to the following:

- Environment
- Science and Technology
- Transportation
- International Resource Management
- Economic Development/Joint Ventures
- International Legal Regimes in the North
- Indigenous Peoples
- Arctic Tourism/Adventuring
- Health

The 11-nation Governor's Summit will likely focus on international environment cooperation and will run simultaneously with the Northern Access conference.

An Alaska organizing committee is expected to be appointed in January 1990 to assist with conference planning. A book will be published as follow-up to the conference to include essays, speeches and workshop proceedings.

Ginna Brelsford of the Office of International Trade is the Project Manager for the conference. If you are interested in serving on a local organizing committee or volunteering for the conference, please contact the Office of International Trade at 561-5585. Beginning with this issue, each International Trade Digest will feature news on the Northern Access 1990 conference. •

Soviet Deputy Minister for Fisheries Visits Alaska

Legislative Delegation Visits Soviet Far East

From September 21 to October 6, 1989 members of the Alaska Legislature will visit the Soviet Far East. The House Foreign Trade Committee will investigate a wide spectrum of issues, particularly what role state government should play in relations with the Soviet Union.

"The Legislature's attention to Alaska-Soviet Far East relationship is timely," said Rep. George Jacko, Chairman of the Foreign Trade Committee. "The Soviet Union is our closest and most rapidly changing partner in the Pacific Rim. We need to understand the ramifications of this relationship".

Members of the delegation include; Representatives Johnny Ellis, Mike Davis, Bill Hudson, and Virginia Collins. Ron Miller from the Governor's Office of International Trade, Paul Fuhs, Mayor of Unalaska, John Tichtosky, interpreter, and Heather Bradner, assistant to the Foreign Trade Committee.

A highlight of the trip is the proposed entry into the closed port of Petropavlovsk-Kamchatskii, center of the Soviet fishing industry. Officials there are anxious to establish relations with Alaskans, regarding fisheries and tourism proposals. This will be the first Alaskan delegation to visit this city.

A joint venture proposal to transport cargo along the Northern Sea Route between Vladivostok and port of Murmansk, is also an issue the Legislature wishes to investigate more thoroughly.

The Committee will also visit Tokyo and Seoul where they will review the state offices in Japan and Korea and meet fisheries and tourism officials.

The House Foreign Trade Committee will reciprocate by inviting Soviet policy and lawmakers to visit Alaska next year. •

Dr. Vyacheslav I. Zilanov, Deputy Minister for Fisheries and Alexander Vylegzhanin, Chief Counsel, Foreign Affairs Division, Soviet Ministry of Fisheries visited Alaska August 12-17 as guests of ACIB. Dr. Zilanov and Mr. Vylegzhanin were participants in ACIB's Pacific Rim Fisheries Conference in April of this year and Dr. Choon Kim extended an invitation then for another visit to Alaska.

Dr. Zilanov also met with Governor Cowper and representatives from the Alaska Department of Fish and Game to discuss measures that may be taken to halt the high-seas interception of Pacific salmon and unregulated fishing in the central Bering Sea.

Office of International Trade staff member Ron Miller arranged and accompanied the Deputy Minister to meetings with Alaskan companies interested in joint fishing ventures in Soviet waters. •

Cowper's SFE Visit . . . (cont. from page 1)

Cowper met with top regional officials in each Soviet Far East territory: Chairman Kobets in Magadan, Chairman Daniluk in Khabarovsk, Chairman Lutsenko in Vladivostok. His meetings also included the nation's number one fisheries official, Minister N. I. Kotlyar, and a host of regional leaders in shipping, business, education and the military.

Creation of an Alaska working group with the three Soviet Far East territories was one of Cowper's chief goals. The group, to be headed on the Alaska side by Chief of Staff Garrey Peska, will include two or three representatives from each territory in the region and oversee future Alaska-Soviet government relations. Alaska members include: Garrey Peska, Chief of Staff; Robert Poe, Director, Office of International Trade; Lee Gorsuch, Director, ISER; Dr. John Kim, Director, ACIB; Victor Fisher, Assistant to University President O'Dowd for Soviet Affairs; Janie Leask, Director, Alaska Federation of Natives and George Krusz, Director, Alaska State Chamber of Commerce.

The Alaska group — to address government and university related Soviet issues only — will hold its first meeting in October with a 6-member delegation from Magadan Region scheduled to visit Alaska. The entire group could meet as early as November when an Aeroflot charter plane is expected to carry a delegation of top Soviet officials and business leaders to Alaska from Khabarovsk and return to that city with a like number of Alaskans. Cowper received a proposal from Khabarovsk-based Manager for Far East Civil Aviation V. I. Skrypnik to exchange up to 80 Soviet and Alaska business, government, cultural and scientific officials. The plane would deliver Soviet officials to Alaska and return with Alaska officials for several days of business meetings.

Cowper presented proposals for three regional annual work programs including : language instruction and co-development of educational seminars on "How to do Business in Alaska" and "How to do Business in the Soviet Far East".

The Governor held talks aimed at assisting Alaska Airlines' efforts to open an Alaska-Soviet Far East route and secured a Soviet commitment to fly two airplanes of top officials to an 11-nation conference on life in the North— Northern Access 1990 — scheduled for September 1990 in Anchorage. The week-long conference will focus on issues common to people of the North.

Cowper became the first American governor to visit the Soviet military installation on Big Diomed Island, just two and a half miles from Alaska's Little Diomed Island. He and Alaska Adjutant General John Schaeffer discussed the need for joint search and rescue efforts and agreed with Soviet military officials on the need to reduce border tensions.

A week later in his trip, the Governor visited the Soviet-Chinese border on the Amur River on a Soviet military gunboat. The Chinese industrial city of Fon Yin lies about 42 miles up-river from the Soviet city of Khabarovsk.

Cowper's main activities in each Soviet territory includes:

- **Magadan**, which includes the Chukchi Peninsula directly across the Bering Sea from Alaska: granted honorary citizenship of Provideniya and held talks about tourism, sports exchanges and improved communications; visited Big Diomed and the native communities of Lavrentiya, New Chaplino and Uelen, the latter of which is home to the world's most famous ivory carving school; discussed visa-free travel between Alaska and the Soviet Union for Natives and new business ventures including reindeer meat, mining and arts and crafts; visited the regional government city and military installation of Anadyr for talks on joint ventures.

In Magadan City, Cowper discussed the problems of the Soviet's non-convertible currency and the general ignorance of each other's economic systems, regular air service and tourism; received several new business proposals from the Soviets; and fished for grayling with local Chairman V.I. Kobets.

- **Khabarovsk Region** which encompasses industrial centers and is the aviation hub of the Soviet Far East: discussed improved air travel and received proposals for joint ventures in mining technology, tourism, northern construction techniques and fisheries. Last year Alaska signed a sister-state agreement with the region and Cowper discussed ways to implement that agreement.

- **Primorskii Region** that includes the military and commercial sea ports of Vladivostok and Nahodka: discussed the northern shipping route which could carry goods including those from Alaska to Europe along the Soviet Union's northern coast using Soviet ice breakers; met with Soviet Fisheries Minister N.T. Kotljak for talks on curtailing high seas salmon interception and better management of northern fisheries; visited Nahodka's special economic zone which could be a site for Alaska-Soviet joint ventures.

The trip capped nearly two years of efforts by the Cowper administration to improve relations between Alaska and the Soviet Union.

The Cowper delegation included: Governor and Michael Cowper, General John Schaeffer of the Alaska National Guard, Press Secretary David Ramseur, International Trade Specialist and trip organizer Ginna Brelsford, Communications Assistant Mark Olsen, interpreters John Tichotsky, Donald Adamson and Andrew Crow. Four pressmen accompanied the Governor: Dean Fosdick of AP, Bruce Melzer of KSKA radio, Dan Grubb of KIMO 13 and Eric Sowl also of KIMO 13. General Schaeffer and interpreter Donald Adamson traveled throughout the Magadan region only and returned to Alaska on a National Guard plane from Magadan City.

OIT/UAA TRIP TO THE SOVIET UNION

A five member group, consisting of OIT staff member, Ron Miller, Lee Gorsuch, Director of the Institute of Social and Economic Research (ISER) Gunnar Knapp and John Tichotsky also of ISER, and UAA Professor Diddy Hitchins representing the Alaska Center for International Business, visited Moscow, Khabarovsk, Vladivostok, Nakhodka, Magadan, Susuman and Anadyr from June 1, to Jun. 21, 1989. The purpose of the visit was to explore trade prospects and identify common research interests. Among the findings of the group were the following:

SOVIET POLITICAL AND ECONOMIC REFORM

In the Soviet Far East (SFE) there is a consensus on the need for political and economic reform. Major reforms are being initiated, but many Soviets and observers question whether the reforms will succeed. Therefore, while Alaska should encourage these reforms and should participate in exchanges with the SFE, we should be cautious of actions or commitments which assume the success of the reform movement.

ALASKA - SFE TRADE

Officials in the SFE feel a special affinity with Alaska and are anxious to develop trade in order to earn hard currency which can then be used to purchase needed technology. In this way, Alaska can play a unique if minor role in the success of reforms in the SFE.

Alaska - SFE trade is likely to be limited in the near future because of the lack of trading experience on both sides and the uncertainties surrounding economic reforms. The most evident trade opportunities are related to communications technology, fisheries, tourism, transportation and animal production. The Soviets are interested in all aspects of technology and marketing. To foster trade opportunities, Alaska should invest more in learning how the Soviets do business and in monitoring the success of Soviet economic and political reforms.

(see OIT & UAA . . . page 8)

Superstar . . . (cont. from page 1)

"Mr. Kim and Superstar Travel are now viewed as the "Alaska experts," says Bob Poe. "Both Superstar Travel and we Alaskans made mistakes this year, but we learned from them. Mr. Kim better understands the size of Alaska and the intricacies of our seasonal tourism industry, and we better understand what we should do to be successful in promoting tourism opportunities to the Koreans."

Since the Korean government liberalized travel restrictions on January 1 of this year they have seen a drastic increase of passport applications. This year the Korean government expects to issue over 1.5 million passports—up from 180,032 in 1988. Other critical economic factors related to out-bound tourism from Korea include the streamlining of visa application procedures at the American Embassy in Seoul, and the success of the Korean economy which has resulted in a population eager to travel abroad. However, K.S. Yang, Alaska State Representative in Seoul warned, the American Embassy still requires complete and proper documentation in order to issue American visa's. This factor cost Superstar Travel approximately 20 percent of their clientele.

At a final dinner event held at the Clarion Hotel on August 3, S.S. Kim was recognized by Governor Cowper with a plaque for his pioneering efforts to develop Korean tourism in Alaska. The Municipality of Anchorage also named Mr. Kim an honorary citizen of Anchorage. The Anchorage Convention and Visitors Bureau presented Mr. Kim with a special coin of the city, and the Korean Community of Anchorage gave Mr. Kim a plaque of appreciation.

"Koreans enjoy the cool weather of Alaska in the summer when Seoul is very hot," said Mr. Kim. "Alaska is marvelous, and I will continue to bring tours to Alaska in the future."

Korea's Fresh Tourism Market

Office of International Trade director Robert Poe was a featured speaker at the 1989 KOTFA World Travel Fair aimed at marketing Alaska as a tourism destination spot to top Korean travel experts. Poe joined some 18 Alaskans armed with displays, brochures, a large stuffed King salmon, smoked salmon samples, reindeer sausage and jerky samples, and even a bear hide coat and hat, and arrived in Seoul, Korea for the Korea World Travel Fair '89 (KOTFA). Held September 7 - 10, 1989 at the Korea Exhibition Hall, KOTFA '89 was the 4th annual event of its kind held in Korea.

The Office of International Trade sponsored and coordinated two booth spaces at KOTFA, with the Division of Tourism co-sponsoring the effort. Alaskan businesses and communities participating in booths included: Gray Line of Alaska, Markair, the Matanuska-Susitna Convention and Visitors Bureau, the Anchorage Convention and Visitors Bureau, Alaska Sightseeing, Alaska World Adventure Tours, the Valdez Convention and Visitors Bureau, Trails North, and the Kenai Economic Development District. Arirang Travel, Alaska Leisure Tours, Duty Free Shoppers, and Gateway Tours were represented at KOTFA by delegates, and a variety of other businesses and communities also sent brochures to Seoul for distribution.

An estimated 80,000 visitors attended the 4-day event from over 30 nations mingling among 170 booths.

"In promoting tourism to Alaska our first and biggest problem is to overcome Alaska's negative image..." said Robert Poe, Director of the Office of International Trade. Poe was one of four speakers at a seminar held in association with KOTFA. "Alaska has recently received a great deal of international press on how cold Alaska was last winter. And, when you hear the word 'Alaska', you may think of cold and ice and snow...This is one side of Alaska! But there are also warm seasons and warm regions of Alaska." Poe outlined the regions of Alaska and associated tourism opportunities including the "players" in

Alaska's tourism industry, and facts and figures about Alaska.

The Korea National Tourism Corporation (KNTC), the Korean government department charged with promoting and supporting Korean tourism in Korea, projects two million Korean tourists will travel overseas in 1995. KNTC estimates by the year 2000 three million Koreans will be vacationing outside of Korea each year. Of the 725,176 traveling overseas in 1988, destinations of choice were: Japan (68.9%), United States (20%), Europe (7.5%) and Taiwan (7.3%).

Poe, in his speech to KOTFA seminar attendees stated, "One year ago, we had almost no Korean visitors (in Alaska). This summer we had nearly 1,000 visitors and we expect this number to increase rapidly. Alaska is an easy place for Koreans to visit. It is only an 8 hour flight from Seoul to Anchorage. We have nearly 10,000 Koreans who live in Alaska so language does not need to be a barrier. And there are many Korean, Chinese and Japanese restaurants so familiar food is available."

Mr. S.S. Kim, President of Superstar Travel of Seoul, who was responsible for a large share of the Korean tourists Alaska received this summer, treated the Alaskan participants to a half-day tour of Seoul and a Korean banquet followed by a traditional Korean dance show. Mr. Kim is planning to bring large groups of Korean tourists to Alaska as he did in July and early August of this year.

Dick West, President of Alaska Sightseeing Tours commented, "While it (tourism development) is certainly a benefit to the development of international trade in general, I am very happy to see your (Bob Poe) support and focus on the tourism industry, since the market is so fresh in Korea."

The Korean tourism market is in its infancy....And now is the time to help develop their interests.



Seoul Office Report

by K.S. Yang, Alaska State Representative

The Alaska State Seoul Office has augmented its trade promotion efforts and contributed to a 54 percent increase over 1986 in bilateral trade between Alaska and Korea. According to figures recently compiled by the Alaska Center for International Business (ACIB) of the University of Alaska, total Alaskan exports for 1988 were valued at \$2.2 billion with \$191 million of total exports going to Korea. Major export commodities from Alaska to Korea in 1988 are forest products, petrol products, coal, fish, and minerals, in that order.

The most exciting new industry for development is Korean tourism. Effective January 1, 1989, complete freedom and liberalization of overseas travel for the Korean people occurred. The Korean government policy to lift the restriction of Korean overseas travel has been taken in order to properly adjust the current account surplus derived from export driving policy of Korea.

The Alaska State Seoul Office recently received increasing numbers of inquiries from Korean industry for trade and business with Alaska and investment opportunity in fish processing projects. The events and activities that the State Seoul Office has performed are explained below:

The Korea-Alaska Trade Fair (KATFA)

KATFA, the largest international promotional event ever sponsored by Alaska and also the first state trade show of its kind in Korea took place March 3-6, 1989 in Seoul, Korea. Highlights of the 4-day trade show included a VIP reception and grand opening, a trade show, a business seminar and Eskimo dance performances. Alaska was well represented at KATFA, over 80 Alaskans including 23 different communities, businesses or associations attended.

FAM (Familiarization Tour)

Korea is now Alaska's next potential tourism market after Japan. Six travel companies and a number of real estate investors paid visits to Alaska to view vacation and investment properties under the FAM Tour program organized by the Governor's Office of International Trade for the promotion of future business in the tourism industry and investment in real estate. The Global Travel Service, who participated in the FAM Tour program in June organized a group tour of 17 Korean tourists to Alaska in August two months after the FAM Tour.

Superstar Travel Air Charter Flights

KATFA created interaction between Alaskan participants and Korean businessmen as noted by Mr. Bob Poe, Director of the Governor's Office of International Trade, and KATFA was a big success. Stimulated by the overseas travel liberalization policy of the Korean government and the successful KATFA, Superstar Travel Service organized the five and six day Alaskan tours beginning July 17th and around 800 Korean tourists visited Alaska by 5 charter flights of Korean Air. Superstar Travel Service will continue to organize the same tours to Alaska next year.

Alaskan LNG Supply

Since 1986, Korea has purchased liquified natural gas from Indonesia for power generation under a 20-year, long-term supply contract. Due to, increasing demand for liquified natural gas — approximately an additional 3 million tons beginning in 1996. The Korean government will invest about 1.4 trillion won to supply gas to cities with a population of 100,000 or more by 1996. Korea Gas Corporation will construct one additional LNG storage terminal in Incheon or Busan as well as 1,400 km of gas pipelines across Korea. Korea Energy Economics Institute dispatched a feasibility study team to Alaska last April in an effort to secure a stable supply source of LNG. KEEL conducted the comprehensive study on TAGS project and supply of Alaskan LNG from other sources. Korea Gas Corporation will also send a purchasing mission to Alaska this year to study economical factors of Alaskan natural liquified gas for future need. The Alaska State Office under close directorship of the Governor's Office of International Trade made the KEEL study possible by assisting with programming, information supply, and other services.

Korea-U.S. Economic Council Visits Alaska

The State of Alaska signed an economic cooperation agreement during a week-long visit by members of the Korea-United States Economic Council (KUSEC). The agreement was signed to enhance natural partnership opportunities between Korea and Alaska.

KUSEC is a private corporation whose objective is to organize and manage the promotion of business ties between Korea and the U.S., and to heighten awareness of Korean business in the U.S. as well. Chartered in 1973, KUSEC also assists state trade missions, establishes contacts with private businesses, and provides information for American businessmen.

KUSEC also organizes and manages economic cooperation committees with other groups or states. An example is the Korea-Alaska Economic Cooperation Committee (KA ECC). The local Alaskan counterpart is the Alaska Korea Business Council (AKBC), a non-profit group promoting Korean trade, education, and culture in Alaska. AKBC president Henry Kim extended the original invitation to KA ECC to come to Alaska for talks on Korea-Alaska trade. Plans expanded to include delegates from KUSEC also.

Attending the signing ceremony were: Minister Kum, Jin-Ho, Chairman of the Korea Foreign Trade Association and former Minister of Trade and Industry. Mr. Chung, Mong Joon, Chairman of both Hyundai Heavy Industries and KA ECC, participated. KUSEC's Executive Managing Director, Mr. Lee, Sang-Seol, also signed. Some 20 Korean high-level executives accompanied the mission.

On the Alaska side, Chief of Staff Garrey Peska signed for Governor Cowper. Loren Lounsbury, Chairman of the Board for AKBC, and Bob Poe, Director of the Governor's Office of International Trade, also participated in the ceremony.

Trade Lead Bulletin

Export Trade Leads

SOVIET UNION

Skornyakov, Konstantin Leonidovich

Komsomol

685000 Mgadan, Pushkin Street 5

PHONE: 295-58, or 250-89

FAX: 298-58 for Skornyakov

Businessman seeks joint venture investment and clients for boat tours and tourism adventures.

JAPAN

Nishizawa Ltd

Mr. K. Matsui, Import Manager

12-5 Nihonbashi Kodenma-Cho

Chuo-ku, Tokyo

Fax: 03-661-0726

Japanese trading firm is interested in expensive, unique Alaskan native handicrafts including dolls and baskets. Please contact Mr. Matsui directly.

Nippon Polaroid Kabushiki Kaisha
(Polaroid Corporation of Japan)

Nippon Polaroid has established the trade section for importing American products such as photographic products, sporting goods, recreational goods, arts and crafts. Please contact Alaska State Tokyo Office, PHONE: 03-436-5285, FAX: 03-436-5039.

Suzuki Shoten Co., Ltd.

Mr. Mitsuo Kadota

2028-10 Fujie Mitsuike

Akashi-shi, Hyogo Pref. 673

Japan

PHONE: 078-9213117

FAX: 078-9213122

A well established company seeking Yukon River Chum- high quality, frozen.

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 fresh crab, live if possible.

Ohyama Corporation

Room 902 Dormir Gotanda Unmaison

2-9-7, Nishi-Gotanda, Shinagawa

Tokyo 141, Japan

PHONE: 03-7794582

FAX: 03-779-4583

Firm seeks to import Flounder, Halibut, King Crab and Tuna.

KOREA

Hyosung (America) Inc.

2302 E. Del Amo Blvd.

Compton, CA 90220-6305

PHONE: (213)979-5050

FAX: (213)631-0317

Large import/export company wishes to import high quality products from well established companies, all lines of products from food items to general merchandise.

TAIWAN

Saekawa Co., Ltd.

12, Lane 127, Ta-Tuzi St.,

Taipei, Taiwan

PHONE: 02-5042327

FAX: 02-5083152

Company wishes to import canned and dried foods, frozen seafood, powdered milk, and general merchandise.

High Done Industrial Co., Ltd.

No. 1, Alley 2, Lane 287

Nankang Rd., Sec. 1

Nan Kang, Taipei

FAX: 2-7863948

Firm seeks houseware, kitchenware, cleaning products, educational supplies, gifts and toys.

Contact OIT at 561-5585 for additional information.

OIT/UAA . . . (cont. from page 5)

ALASKA - SFE RESEARCH

The most promising research relations appear to be related to common economic and scientific interests in the Bering Sea, the unique role of the North in monitoring global climate and environmental exchanges, the sustainable development of the North and the roles of Native peoples in northern development.

EDUCATIONAL AND CULTURAL EXCHANGES

There are fewer constraints for short ranges involving education,

cultural and citizen exchanges. Both, coordination and financial support will be needed to sustain these exchanges.

RECOMMENDATIONS

In trade and research relations with the SFE, Alaska must identify its goals and objectives. Opportunities for trade and research exchanges are more likely to succeed if they are targeted, coordinated and built on existing capabilities and shared interests.

Opportunities for cultural and civic exchanges are increasing and should be

encouraged. To enhance the value of these exchanges, it is necessary to learn the Russian language and something of the culture, history and literature of the Soviet Union.

Alaskans invited to the SFE should be advised that acceptance of the invitation carries with it an expectation of hosting a similar visit of Soviets to Alaska. Alaskans are often not aware of the reciprocal travel obligations implicit in the invitations they receive. •



Tokyo Office Update

By Kaz Hayashi, Alaska State Representative

During the last three months, the Tokyo office has had many requests from both Alaskan and Japanese businesses regarding trade and investment opportunities. Following is a list of recent activities:

The Tokyo office introduced Nittetsu Shoji Co., an iron and steel sales agent for Nippon Steel Co., to Alaskan companies. Nittetsu Shoji Co. concluded negotiations with two Alaskan Companies to process "tarako" (pollock roe) and fish meal beginning in January of 1990 and to process surimi beginning the spring of 1990. This venture has brought investment money and jobs to Alaska.

A journalist team from the Asahi Shimbun, one of Japan's largest daily newspapers, recently visited Alaska. In conjunction with a feature series on varieties of wildflowers from around the world, the team researched Alaska's fireweed. The wildflower series will begin running April 1990. The Tokyo office helped put the journalists in touch with Alaskans, both public officials and private business people.

Interior Alaska was visited by a representative of one of Japan's largest chopstick manufacturers. The Tokyo office provided this company with public information about Alaskan timber resources suitable for chopstick manufacturing and assisted in coordinating their visit to Alaska.

This office was instrumental in providing introductions, market information and coordinating meetings for Alaska Mountaintop Spirits Co., manufacturer of Attakiska Vodka, who was successful in landing an export order from one of Japan's largest department stores, Hankyu Department Stores in Osaka.

Daishiya Products Co. of Japan approached the office inquiring about Alaskan real estate investment opportunities. We provided information from Alaskan businesses interested in the foreign market.

The Tokyo office will be participating in a catalog and samples show organized in conjunction with the Tokyo Trade Center and the American State Offices Association. The show's purpose is to introduce Alaskan products to Japanese interests. Contact the Anchorage office or our office for further information.

A Japanese tour operator is interested in developing a specialty Alaskan tour package. The Tokyo office, together with OIT, introduced the Japanese tour operator to Alaskans who could provide the special services needed for the tour.

Everyday office activities include answering inquiries from Alaskan companies and individuals to do market research and find potential Japanese importers of gift items, food products beverages; attending trade and promotional shows to look for potential importers of Alaskan goods and discover market trends; hosting Alaskan visitors; coordinating Alaskan government and trade missions. •

Investments in Alaska's Future

The Governor's Office of International Trade recently announced personnel changes focused on increasing OIT effectiveness in the international arena and producing a stronger Alaskan economy.

Staff changes include: selections for OIT student intern program, personnel additions in Alaska's foreign offices and opening a new office in Taipei, Taiwan.

The OIT student intern program is designed to provide an opportunity for students to develop international business skills from an Alaskan perspective. Two students were selected for the intern program.

Chris Senungetuk, a recent graduate of the American Graduate School of International Management in Glendale, Arizona where he received his masters in International

Management, has been selected for a year long research intern position. Chris grew up in Fairbanks and completed his undergraduate studies at the University of Alaska Fairbanks in business administration. He is proficient in Japanese and will focus on Pacific Rim trade relations.

Helena Schwenter, a top student from Mt. Edgecumbe High School, was a summer intern for the Office of International Trade, where she spent 3 months promoting Alaska in the international arena. Helena has returned to Mt. Edgecumbe for her senior year in the Pacific Rim Studies Program.

The Alaska State Offices in Tokyo and Seoul both have new staff additions. Greta Anderson-Goto has joined the Tokyo office as a Trade Specialist and Kim, Kyong-suk as Assistant Representative in the Seoul Office.

(see Investments...page 11)

INTERNATIONAL TRADE SHOWS

World Trade Center Alaska: Trade Lead Clearinghouse for Businesses

World Trade Center Anchorage can assist small to medium sized Alaskan businesses wanting to break into the international market by establishing and fostering initial contacts. As part of the World Trade Centers Association (WTCA) headquartered in New York, WTC Anchorage is connected to 160 WTC's with over 3.5 million subscribers worldwide.

Through NETWORK, the WTCA's computer communications system, Alaskan importers and exporters receive and place trade leads that travel electronically around the globe.

WTC Anchorage operates in conjunction with University of Alaska Anchorage's Alaska Center for International Business (ACIB). Dr. John Choon Kim, WTC and ACIB Executive Director, notes, "No other organization in the state has this kind of global network. WTC Anchorage, coordinating efforts with the other international trade organizations in the state, provides Alaskan entrepreneurs the means to develop good business connections worldwide."

Other WTC services include: business communications services (fax, telex, phone/address usage, clerical and translation services) and meeting hall rental. For Alaskan members who plan to survey market conditions, visit prospective trading partners, inspect operations or attend the myriad of educational seminars and courses offered through the World Trade Center or XPORT (part of the WTCA) WTC Anchorage can arrange travel, hotel and meeting hall space in any other WTC city.

For further information on WTC services and membership call Carolyn DePalatis, Manager, at 561-1615.



ITALY

April 21-29

THE GREAT APRIL FAIR '90. A vast international marketplace for consumer and industrial products, in Milan, Italy.

January & June

CHIBI '90. The International Fashion Jewelry Fair. Diverse display of worldwide trends offered twice yearly.



JAPAN

April 9-12

GEOTECH '90, International Underground Development and Engineering Exhibition and Symposium. Harumi Tokyo, Japan.

March 13-17

FOODEX Japan '90. The 15th International Food and Beverage exhibition will be held at the Nippon Convention Center. Highly regarded by manufacturers, distributors and buyers. Contact: Katelyn Carrigan or Chris Senungetuk at 561-5585.



KOREA

March 1990

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.

April 24-28, '90

SEOUL INT'L FOOD TECHNOLOGY EXHIBITION,

With changes in Korean lifestyles and diet, food products are the fastest growing import market in Korea. Contact: Katelyn Carrigan or Chris Senungetuk at 561-5585.



MEXICO

January 23-25

PETROAVANCE '90, exhibition and promotion of U.S. manufactured oil, gas and petrochemical equipment and services. Contact: Charles Cummings, U.S. Dept. of Commerce (202) 377-5361.



MIDDLE EAST

January-May, '90

U.S. OIL & GAS FIELD EQUIPMENT & SERVICES

CATALOG EXHIBITION for Latin America and the Middle East - an excellent opportunity to test market your product, gain maximum exposure and obtain valuable trade contacts. The cost is \$200. Contact: Lisa Brady at (202)377-8433.

February 10-14

MEFEX '90, the Middle East Food and Equipment Show and Salon Culinaire. The foremost food exhibition for the Gulf market held in Bahrain Exhibition Centre.



SINGAPORE

Feb. 27 - March 3

SINGAPORE INTERNATIONAL TRADE FAIR- a major exhibition, featuring gifts, toys electronics and more, bringing together manufacturers and traders from around the world. Contact: Eileen M. Lavine, Information Services, (301)656-2942.

(See Trade Shows...page 12)

Temporary Most-Favored-Nation Status for the Soviet Union

by Eric Ostrovsky, Alaska State Office, Washington D.C.

When the Soviet Trade Delegation from the Magadan Region conducted its trade and cultural promotion in Anchorage last winter, a great deal of confusion ensued about the custom tariff owed from the sale of goods that the delegation brought with it. The Soviets eventually placed \$50,000 in an Alaska bank as a "good faith guarantee" that the custom tariff would be paid. Nevertheless, the problem of tariffs remains.

The expensive custom tariff, with its attendant complicated rules, is a real handicap in creating a successful trade relationship between the U.S. and the Soviet Union. Responding to this problem, the Western Governors at their fall meeting passed a resolution drafted by Governor Cowper urging the President to grant temporary, most-favored-nation trading status to the Soviet Union. This status would reduce the type of tariff headaches that the Magadan Delegation faced when it tried to sell goods in Alaska. In turn, hopefully, a more favorable U.S./USSR trading climate would increase trade, other commercial, and cultural contacts with Alaska.

Most-favored-nation status entitles a nation to pay the lowest level of duties on its exports to the United States. The most-favored-nation designation, however, is a misnomer, since this status is enjoyed by all nations except some Communist bloc countries and Libya, with which the U.S. has banned all trade.

Congress originally installed higher customs on Soviet products in the Jackson-Vanik amendment to the 1974 Trade Act because of USSR's refusal to allow a more open immigration policy. Since the inception of Mikhail Gorbachev's political policies, however, Soviet immigration levels have increased at an annual rate of about 40,000. Recently, the Official Soviet visa agency announced that it expects about 200,000 Soviets to emigrate this year and more than 2 million to make visits abroad.

President Bush has made it known that, although he is favorably inclined to grant most-favored-nation status to the Soviet Union, he will not formally propose the change until a broad national base supports it. The momentum is clearly in this direction. The National Conference of State Legislatures, many members of Congress, and even former Congressman Vanik (the author of the trade restrictions) have come out strongly for the change in policy. Governor Cowper has also asked the National Governor's Association to consider the idea during its next meeting.

The purpose behind the temporary most-favored-nation status proposed by Governor Cowper is to reward the Soviet Union for its recent change in emigration policy, while reminding the country that the U.S. is interested in the Soviet's long-term human rights record. •

Investments . . . (cont. from page 9)

Kim, Kyong-suk, previously a research intern with the Office of International Trade and a native Korean, has joined the Alaska State Office in Seoul, Korea. Kim, Kyong-suk has received his MBA in international business from the University of Alaska - Fairbanks.

Greta Anderson-Goto, born and raised in Dillingham, Alaska received a bachelor's degree in Foreign Studies with an East Asian concentration and advanced Japanese language studies from George Washington University. Greta was previously employed as an Economic Development Trade Assistant with Alaska Industrial Development and Export Authority. •

GOODBYE CONNIE

Connie Stewart, Protocol Officer for the Governors Office of International Trade, is leaving the OIT staff. Connie has worked with the Governor's office since January of 1975 and is looking forward to a well deserved retirement.

We will miss Connie and wish her the best in her future endeavors.

All matters formerly handled through the Juneau office should be directed to the Anchorage office at 561-5585. The Protocol, Business Etiquette, Country-specific Information" booklet will also be available from the Anchorage office for \$2.00.— checks should be made out to "State of Alaska".

Honorary Canadian Representative Appointed

The Canadian Consulate General, in Seattle, Washington has announced the appointment of Mr. Ronald C. Sheardown as Canada's Honorary Commercial Representative for the state of Alaska.

Mr. Sheardown, an Anchorage businessman, will work with the Canadian Consulate General in Seattle to focus on export trade and investment opportunities between Canada and Alaska.

To contact Mr. Sheardown, please call (907)333-1400 or telefax (907)333-1800.

Alaska International Trade Digest
Subscription Form

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Organization: _____

Address: _____

City, State, Zip: _____

Phone: _____

FAX: _____ Telex: _____

Trade Shows. . .(cont. from page 10)



TAIWAN

March 12-16, '90 **TAIPEI INT'L FOOD INDUSTRY SHOW**
The growing economy of Taiwan has produced a vigorous new market for imported foodstuffs. Contact Katelyn Carrigan or Chris Senugetuk at 561-5585.

April 20-24, '90 **TAIPEI INT'L SPORTING GOODS SHOW**,
for more information contact: CETRA Exhibition Department, Taipei, Taiwan 886-2-725-1111.



UNITED STATES

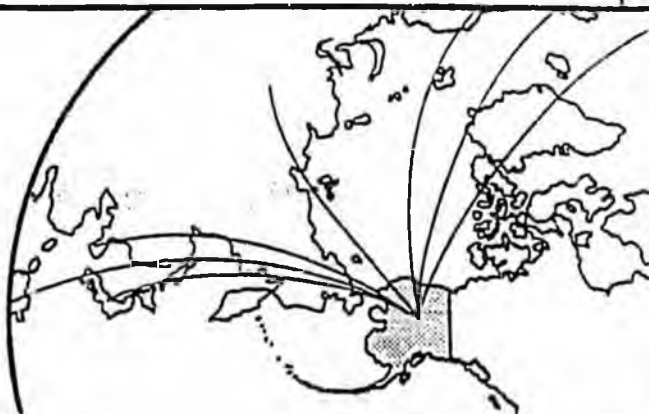
March 27-30, '90 **SMALL BUSINESS EXPORTERS CONFERENCE**, the first-ever national gathering dedicated to the role of small business in international trade. Contact: OIT, 561-5585.

July 31- Aug. 5 **GOODWILL GAMES INT'L TRADE EXHIBITION**, featuring natural resources, advanced technologies, lifestyles and services. Held at the Washington State Convention and Trade Center in Seattle. Contact: TRADEC, 910 5th Ave., Seattle, WA, 98104

State of Alaska
Office of the Governor
Office of International Trade
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Anchorage, Alaska 99503

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ALASKA INTERNATIONAL TRADE DIGEST



Vol. 2, No. 1

Governor's Office of International Trade

June, 1989

Steve Cowper, Governor

Robert Poe, Jr., Director

Alaska flexes Muscle: Korea Trade Show Results in Dramatic Increase in Tourism and Trade Deals

Alaska's overseas ambassadors are responding to dramatic increases in trade and tourism inquiries stemming from the successful Korea-Alaska Trade Fair held in March in Seoul. Six travel companies are planning group tours to Alaska, and a real estate investment group will travel to Anchorage to view vacation and investment properties. Two Korean introductory tours (FAM or familiarization tours) will visit the state in June.

passports issued to Koreans for pleasure travel increased 820% between 1987 and 1988 — from 19,566 to 180,032.

Alaska's Korean Affairs Advisor, Mr. Cho, Dong Ha, will lead two tours to familiarize Korean tourists with Alaska. The first tour is scheduled for early June. Nine tour wholesalers will travel throughout the state observing tourism opportunities.

"Everywhere you went in the Hotel Inter-Continental (KATFA headquarters) you saw pockets of Alaskans and Koreans meeting. You could see the papers on the table and hear people talking very specifically about opportunities," said Bob Poe.

Several critical economic factors recently merged offering Alaskan tour operators a prime opportunity to capture the ever-growing Korean tourist market. The Korean government liberalized overseas travel for its citizens; the U.S. streamlined visa procedures and the success of the Korean economy have resulted in a population eager to travel and invest overseas. The number of

These tours are the result of meetings between representatives from several Alaska cities and Korean tour wholesalers during the March KATFA fair.

"KATFA created interaction between Alaskan participants and Korean businessmen," noted Bob Poe, Director of the Governor's Office of International Trade. "Everywhere you went in the Hotel Inter-Continental

(see Alaska...page 11)

Alaska Seafood Exports Increase

According to figures recently compiled by the Alaska Center for International Business (ACIB) of the University of Alaska, Seafood exports from Alaska increased substantially in 1988.

Total Alaskan exports for 1988 were valued at \$2.2 billion, with \$1.6 billion (71%) of total exports going to Japan. Of this \$1.6 billion, \$866 million (56%) was seafood, making Japan the largest buyer of Alaskan seafood exports. This is a 60% increase from the previous year.

Worldwide, Japan is the largest importer of U.S. seafood. According to the NMFS (National Marine Fisheries Service), the U.S. exported \$1.57 billion worth of seafood to Japan. In contrast, Japan exported to the U.S. only \$210 million worth of seafood, creating a trade surplus of \$1.36 billion, in favor of the U.S.

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Alaska International Trade Digest

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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**
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A message from Director Robert Poe, Jr.

"PROTOCOL": there is probably no single word which causes as much apprehension and fear in the world of international trade. As I began to learn the ropes of international trade, I realized protocol is of tremendous personal concern to Alaskan's involved in international trad. Rules of proper etiquette seemed mysterious to many. I think it is important to put "protocol" into perspective.

Ask yourself: when you received foreign visitors and they made minor errors in custom or language, were you insulted? Did you want to run to the U.S. State Department to lodge a complaint? No, you probably made an allowance for the visitor's cultural differences and continued with your business. A similar reaction generally exists when you are the foreign visitor; allowances are made by your host.

Sometimes we place form before substance. All the sushi dinners and karaoke singing in the world will not turn a bad business deal into a good one. Proper protocol may make meetings more comfortable, but when you really get down to business, it is return on investment that makes a deal work. I suggest that more time be devoted to the substance of business presentations than form.

Imagine you met with two salesmen from different companies who offered a product you wanted to buy. One of these salesmen is likeable and smooth but offered the inferior product; the other salesman was a little more "rough around the edges", but offered the superior product. In this case, unless the salesman with the superior product was completely objectionable, you are probably going to try to buy the superior one. Naturally many factors are involved in any purchase decision, but personalities and style come second after quality, price, and delivery. After all the Japanese, perhaps the most protocol conscious of all of our international customers, have been doing business in places all over the world where the cultural differences are far greater than those between Alaska and Japan.

Protocol does seem to matter in personal business relationships. It doesn't matter so much that you have poured a guest's drink properly, but that you cared enough to try; allowances will be made. In doubt, watch what your guest does, or ask him what the proper way to do it in his country would be. Your guest will probably appreciate your interest. Also remember: when your international trading partner comes to see you, he or she knows they are coming to the U.S., and things will be different. The important thing here is that there is an honest effort on your part to show your guests you care about their comfort and want to build a long term relationship.

All of this having been said, knowing the correct behavior and understanding some of the perspective of your foreign visitor makes us all feel a little more comfortable. In this regard OIT recently released a manual describing proper protocol with most of Alaska's trading partners, and through our protocol office in Juneau, we are making protocol seminars available to the Alaskan public, on an as-requested basis. This service is further described in another article in this newsletter.

We hope that through this protocol manual and training program we can eliminate some of the worry about protocol giving you more time to focus on your customer's business needs and the substance of your discussion. If you do a good job for the business side there will be plenty of time to fine tune your international protocol skills.



Governor Cowper Authorizes Road Improvements for Wishbone Hill

Governor Steve Cowper has signed an agreement with Idemitsu Alaska, Inc., authorizing road improvements near the Wishbone Hill mining project in southcentral Alaska, about 45 miles northeast of Anchorage.

Under the terms of the agreement the state will fund up to half of the \$3.5 million in costs associated with specific improvements to the Glenn Highway for the Wishbone Hill mine. Idemitsu Alaska will fund the other half of the road improvements,

"The economic benefits of this project far outweigh the road improvement costs," Cowper said. "Once it's in full swing in 1991, Wishbone Hill will employ 180 people full time with an annual payroll of approximately \$10 million a year. That's a pretty good return on our investment."

Wishbone Hill is expected to produce approximately 1 million metric tons of clean coal per year. The coal will be transported by trucks along a 12 mile section of the Glenn Highway from the mine to a rail loadout south of Palmer. From there it will go by train to Seward and be loaded onto barges at the Suneel coal loading facility for shipment to Japan. The mine is expected to be in operation for at least 12 to 14 years.

Idemitsu Alaska is a subsidiary of Idemitsu Kosan Co., Ltd., the largest independent oil company in Japan. They currently use coal in their oil refineries as well as supply coal, gas and oil to many of the Japanese power utilities. Idemitsu Kosan is finalizing arrangements with Japanese power utilities which are scheduled to have new power generating units come on-line in 1990 and 1991. Therefore, it is important that the Wishbone Hill project be in operation by 1991 to accommodate this market opportunity.

"The Pacific Rim is a natural trade ally of Alaska," Cowper said, "If Alaska is going to compete in the world marketplace we have to aggressively pursue opportunities like Wishbone Hill."

The Department of Transportation and Public Facilities will begin the design phase of the road improvement in July of this year. Bids for the road work will go out in the spring of 1990, and construction will begin that summer. Completion of the road project is expected to coincide with the opening of the mine in December, 1991.

"The Department of Transportation and Idemitsu are to be congratulated for their efforts in developing the financing for this road project," Cowper said. "This is an excellent example of how government can work with private industry to spur the economy of this state."

Seafood Processing Plant Announced

Westward Seafoods Inc., an affiliate of Taiyo Fishery Co. Ltd. of Japan, plans to construct a state-of-the-art seafood processing plant near Captains Bay in Dutch Harbor. The plant will process, groundfish, crab, fish meal and surimi - a pollock fish paste used to make imitation seafood products.

"This development is an enormous show of confidence in Alaska's future," said Governor Cowper. "Westward Seafoods is making a major commitment to bringing the benefits of the Americanization of Alaska's groundfish industry to Alaskans."

According to Greg Baker, of Westward Seafoods, approximately 100 employees will be hired to construct the plant, which will include processing facilities, cold storage, warehousing, housing for workers and 650 feet of dock. When the processing plant becomes operational, in late 1990 or early 1991, it will employ more than 250 people.



Bush telegram and NANA regional protocol mark finish of Bering Bridge Expedition

A congratulatory telegram from President Bush and a day-long visit of 76 Soviet guests to Kotzebue, Alaska on May 10 marked the conclusion of the Soviet-American trek across the Bering Straits region.

In a telegram to team members, President Bush called the journey "a remarkable demonstration of human strength and stamina." He noted that team members "can be proud of your role in helping to strengthen those ties" (between America and Asia). The team received a radiogram from General Secretary Gorbachev on April 21 at Big Diomed. Gorbachev said, "You are truly helping build a bridge of friendship and cooperation between Chukotka and Alaska as well as between the Soviet Union and the United States. We are united by common challenges such as preserving northern cultures, protecting the arctic ecosystem and, of course, the most important challenge, the strengthening of peaceful relations among all countries of the world."

Former Alaska State Senator and NANA Regional Corporation head, Willie Hensley, read the Bush telegram to a packed audience during concluding ceremonies in Kotzebue, Alaska. Hensley, together with other NANA officials and the Northwest Arctic Borough signed a protocol with leaders of the Soviet delegation calling for increased trade between the Lavrentiya region and NANA region. The protocol — signed at the airport in front of the two Soviet jets slated to carry the 76 officials back to Lavrentiya — was authored by Borough Mayor Chuck Green and Chukotka Governor Yuri Tototto. Chukotka region is an autonomous region in Magadan with eight administrative districts. The Lavrentiya district has some 6 villages under its umbrella and Governor Tototto is the administrative leader. The Soviet visit to Kotzebue marks the first ever direct flights between Lavrentiya and Kotzebue. "Northwest Arctic Borough is looking forward to developing relations with Chukotka in coordination with NANA; this is such an exciting time in US-USSR relations," noted Mayor Chuck Green.

The Kotzebue-Chukotka protocol emphasizes the development of tourism between the two regions and calls for exchanges in both commerce and cultural arenas. "NANA feels very privileged to have participated in the development of this historic protocol and to have played a part in the visit of the delegation from the Soviet Far East," said NANA President Willie Hensley. "We are extremely pleased at the prospect of a return visit to Kotzebue by a delegation from the Chukotka region. Our two peoples have historic ties and we are anxious to explore ways to revive our former relationship. There are exciting possibilities in the areas of education and cultural exchanges, trade, tourism — all of these are of interest to NANA," Hensley said.

Chukotka Governor Tototto, a former staffer at the Moscow-based Ministry of Foreign Affairs, is eager to find a joint venture partner to help develop his regions' adventure-based tourism program. NANA corporation, with their expertise in hotel management, food service and general arctic tour packages is potentially the ideal partner for Chukotka. A return visit of 10 Soviets to Kotzebue is scheduled for June.

Alaskan Delegation to Visit Soviet Union

In June a five member delegation from the Governor's Office of International Trade(OIT) and Institute of Social and Economic Research(ISER) with the University of Alaska, will travel to the Soviet Union to study the possibilities of establishing an "Alaska-Magadan Commission". The commission would assist in the exchange of information, engage in joint research, and advise on trade and other exchanges between the two regions.

The delegation consisting of, Ron Miller, International Trade Specialist with OIT; Lee Gorsuch, Director of ISER; Diddy Hitchens, professor of political Science; Gunnar Knapp, an economist at ISER, and John Tichotsky, research assistant at ISER, will visit Moscow and then tour the Soviet Far-East (Kharbarovsk, Vladivostok, Magadan and rural villages of the Magadan Region).

The trip is a result of an agreement signed in February by OIT, ISER, ACIB (Alaska Center for International Business), and the Magadan Department of External Relations and an economic institute within the Soviet Academy of Sciences, Far Eastern Branch.



Governor Cowper Establishes Soviet Policy

Governor Cowper issued the following policy statement regarding visits and exchange with the Soviet Union. If you have any questions or concerns about this policy, please call the Governor's Office of International Trade at 561-5585.

Policy on Visits and Exchanges With the Soviet Union

Shortly after taking office, I began efforts to expand our relations with the Soviet Union. Because of the new attitude of the Soviet leadership reflected in Mikhail Gorbachev's policies of perestroika and glasnost, I saw an opportunity to reestablish family ties between the Inupiat on both sides of the Bering Straits and to investigate trade prospects for Alaskans with the Soviet Far East. As a result of my Soviet initiative, we have seen joint medical research projects, the Friendship Flight between Nome and Provideniya, trade missions, reciprocal visits by government officials and cultural exchanges.

Since the thawing of the "ice curtain", many Alaskans have received invitations to visit the Soviet Union. Alaskans are cautioned that acceptance of such an invitation may obligate them to host a reciprocal visit to Alaska by the Soviets. If Alaskans are not prepared to meet this financial commitment, a situation could arise that is embarrassing to them and to Alaska.

Recently, my office has received several requests to financially support visits by Alaskans to the Soviet Union and by Soviets to Alaska. I do not believe this is the proper use of State funds and have directed my staff to so inform those making these requests.

My staff has also been requested to issue letters of support for trade missions and sports and cultural exchanges between Alaska and the Soviet Union. Before I will issue a letter of support for these projects, I must be assured the Alaskans have the resources to meet any obligations the project entails, that the project is in line with my Soviet initiative and is one in which the Soviets are interested. A letter from me in support of a project should not be viewed as a commitment to fund that project.

During recent visits by Soviet government officials, they have expressed some concern about people who are not officials of State government but who present themselves in that capacity. To clarify matters, I will communicate the following guidelines directly to Soviet officials:

1. Only elected or appointed State officials will represent the State of Alaska in affairs of state with officials of the Soviet Union.
 - a. Commissioners will represent their agencies
 - b. The Office of International Trade will represent the State in trade matters
2. On occasion, private citizens may be asked to carry messages from me to Soviet officials, but these messages will be in letter form and signed by me.

We are on the threshold of an exciting era of trade, cultural exchanges and travel between Alaska and the Soviet Union. We must be mindful, however, that insensitivity to the Soviets by a few can foreclose these opportunities for all.

Steve Cowper
Governor

Trade and Communication Links Highlighted

On April 23, 1989, a Statement of Intent was signed by Alaska Governor Steve Cowper and Magadan Region Executive Committee Chairman Vyacheslav Kobets as part of the International Dateline Ceremony planned for the joint Soviet-American Bering Bridge Expedition Team.

The Bering Bridge Expedition team — 12 people from two nations speaking five different languages — departed from Anadyr, Chukotka, USSR, on March 6 to begin an unprecedented journey by dog sled and ski through 20 villages on the Chukotka and Alaska coasts. After travelling more than 1,000 miles in 63 days, the team concluded their trek on May 8 in Kotzebue, Alaska.

The purpose of the expedition, was to promote better relations between the U.S. and the U.S.S.R., including trade relations and regular visits between native people from each country. Ginna Brelsford of the Governor's Office of International Trade participated in the expedition and helped promote trade contacts throughout the region.

The International Dateline Ceremony was to occur between the two Diomedes — the American Little Diomed and the Soviet Big Diomed — as expedition team members skied across the border. Unfortunately, bad weather prevented Governor Cowper from landing on Little Diomed so the Statement of Intent was agreed to over the phone with signed copies to be exchanged by mail. Highlights of the statement include; border crossing by native people, improved communications trade relations, travel, cultural and sports events.



KATFA '89: A Success Story

The Korea-Alaska Trade Fair (KATFA) dramatically increased inquiries at the Alaska State Office in Seoul signaling the success of the exclusive Alaska trade show in Korea.

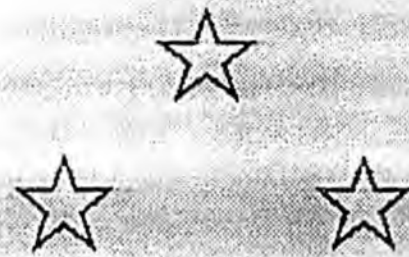
KATFA, which took place March 3-6, 1989 in Seoul, Korea and was the largest international promotional event ever sponsored by Alaska, and also the first state trade show of its kind in Korea. Sponsors of KATFA included the Alaska-Korea Business Council, the Governor's Office of International Trade (OIT), the Alaska International Airport System, and the Alaska State Chamber of Commerce. Highlights of the 4 day trade show included: a VIP reception and grand opening, a trade show, a business seminar and Eskimo dance performances.

Alaska was well represented at KATFA: over 80 Alaskans attended and 23 different communities, businesses, or associations had trade show booth presentations. The theme of KATFA was "Korea-Alaska: A Natural Partnership", exemplifying the natural resources Alaska has that Korea needs and the Korean industrial strength that Alaska needs to build itself for the future.

Bob Poe, Director of the Governor's Office of International Trade reported, "I think it can be safely said that KATFA was a resounding success. First, participation from the Alaska side was almost twice as large as expected; second, KATFA was attended by over 350 VIPs including 2 past Korean Prime Ministers, and a wide range of Korean government officials; and third, KATFA created interaction between Alaskan participants and Korean businessmen."

KATFA was the "brain child" of Bill Noll, President of the Alaska-Korea Business Council and Vice President of Sunco in Seward. OIT spearheaded the operation of KATFA and acted as the central clearing house with Katelyn Carrigan acting as the key coordinator. KATFA is an excellent example of private sector organizations, businesses and associations working with government agencies. The U.S. Embassy in Seoul was excited about a single state successfully organizing such an event. KATFA was televised live during prime time, by two national Korean television stations.

On follow-up questionnaires KATFA participants overwhelmingly rated the trade fair "excellent" or "very good," and 81% of those who completed the questionnaire indicated that they would take part in a KATFA '90 if it was planned. Other suggestions for the 1990 event include holding the trade show in a more central location more accessible to business people, holding the event midweek rather than on the weekend, and organizing a similar event in Japan or Taiwan. Watch for details in the fall and get ready to be a part of KATFA '90.



Superstar Tours Planned

Beginning July 17th a chartered DC10 aircraft will make five back-to-back trips from Seoul to Anchorage, carrying a maximum of 250 Korean tourists each. Superstar Travel Service of Seoul is organizing and promoting the 5 and 6 day Alaskan tours.

In an April letter to Bob Poe, Mr. S. S. Kim, President of Superstar Travel Service stated that his introduction to Alaska at KATFA (Korea-Alaska Trade Fair) prompted him to plan the series of tours. Kim has made arrangements with Gray Line and the Clarion Hotel in Anchorage to accommodate the tourists.

The Office of International Trade is working with the U.S. Embassy in Korea and the Customs office in Anchorage to streamline the visa and entry procedures for



Bilateral Aviation Discussions Ongoing

by Eric Ostrrowsky, Alaska State Office, Washington D.C.



One of the more convenient aspects of living in Alaska is the ability to board non-stop international flights to Europe or the Far East. This sophisticated air transportation system is

available primarily because international airlines use Alaska, a central polar location, as a fuel and servicing stop. Not all foreign international airlines that use Alaskan airports, however, pick up passengers and cargo: in fact, the majority do not.

Airlines forego Alaska commerce for complex reasons, including business judgement and regulatory problems. In the last several years, Alaska International Airport System, the Department of Commerce and Economic Development, and the Office of International Trade have aggressively sought international airline business. However, even after a foreign airline decides to provide service to Alaska, it must receive authority from the countries it serves through a series of bilateral aviation negotiations.

Upcoming bilateral aviation discussions with Japan will be held in Tokyo. As you may be aware, Japanese Airlines (JAL) already enjoys a limited right to handle passengers and cargo on one plane per day to Anchorage. Northwest and United Airlines also have limited rights to carry passengers and cargo between Alaska and Japan, which they rarely exercise. The State of Alaska would like to expand its service with an agreement which would guarantee any willing domestic or foreign airline the right to carry passengers and cargo between Alaska and Japan.

The Japanese, however, desire only to open new markets to Chicago and San Francisco for their airlines and are reluctant to expand the current U.S./Japan agreement much further. Most U.S. carriers do not want to give the Japanese additional access to a U.S. gateway, including Alaska, without a similar exchange. With this backdrop in mind, the U.S. and Japanese negotiators will attempt to forge a long-term agreement that will satisfy the demands of all constituencies.

We have communicated Alaska's interest to U.S. negotiators in several letters, personal meetings, many phone conversations, and through the Alaska Congressional Delegation. Nonetheless, the State has met with difficulties because no domestic airline backs its demand. To date, the U.S. negotiators have been helpful and continue to propose an Alaska (both Anchorage and Fairbanks) gateway. These negotiations have been proceeding for several years, at about half year intervals, and the State is guardedly optimistic that in this round the agreement will include Alaska as a gateway.

The U.S. negotiators are also conducting talks with Hong Kong, China and a host of other countries. Where appropriate, the State of Alaska continues to advocate its interests in each set of talks.

Alaska Exporter of the Year Selected

Congratulations to Sealaska Corporation, the third recipient of the "Governor's Exporter of the Year Award". This Juneau based Native corporation operates several export oriented subsidiaries, principally Sealaska Timber Corporation and Ocean Beauty Seafoods Inc. Their timber branch exported \$219.6 million board feet of products for sales volume of \$118.1 million and their seafood product export sales reached \$58 million in 1988, about \$8 million more than the previous year.

Ketchikan Pulp Company and Koncor Forest Products Company received honorable mention for their contribution to the Alaskan economy through exporting.

Eight companies representing mining, timber, seafood, and tourism industries and entrepreneurial business were also nominated for this award:

- All Alaskan Seafoods Inc.
- Alaska Pulp Corp.
- Chugach Alaska Corp.
- Cominco Alaska, Inc.
- Greens Creek Mining Co.
- Holland America Line/
Westours, Inc.
- Kobuk Fuel & Commercial Feed Co.
- Suneel Alaska Corp.

Thank you to all Alaskan exporters for helping create a stronger state economy!

Trade Lead Bulletin

Export Trade Leads

AUSTRALIA



PK 88 PTY. LIMITED

Mr. John Colley
P.O. Box 812
Double Bay, NSW, 2023
Australia

Phone: (61) (02) 387-7512
Fax: (61) (02) 389-5192

PK 88 PTY seeks suppliers of frozen fish, fish fillets, shellfish and other seafood. Bags of fillets should be approximately 5 kilos and should be boxed with 4 packages (5 kilos) per box to equal a 20 kilo package. Send price (F.O.B.) (U.S.), estimated quantities and availability dates to Mr. John Colley.

CANADA



A. Jalson Import Co.

P.O. Box 62, Breslau
Ontario, Canada
NOB 1M0
Phone: (519) 748-6515
Telex: 063666 24:JAL001

Company interested in importing the following; unusual gifts, house and garden, childrens toys, hobbies and games, recreation equipment, and hunting/fishing and camping gear.

EUROPE



Euroimpex, Inc.

Victor H. Saydun
491 Montwood Circle
Redwood City, CA 94061
Phone: (415) 365-8298
Fax: (415) 369-5982

Trading company seeks manufacturers of electronic security systems, machine tools and parts, generators, computers, computer software, outboard motors, leisure boats, aircraft equipment and parts; for export to Europe.

FRANCE



Joint Venture/Investment

Mr. Henri Von Spangenberg
22 allée du Bois de Justice
Residence de la Rouvraie
78480 Verneuil sur Seine
Phone: (33) 1/39.65.68.84.

Mr. Von Spangenberg seeks investment and manufacturing partnership to produce newly developed pollution-free charcoal.

HONG KONG



Gold Beach International Corporation

David W. Berry, Marketing Manager
Rm. 1105-6 Hang Seng Bank Bldg.
339 Castle Peak Road
Kowloon, Hong Kong
Phone: (03) 866351-2
Fax: (8852) 3-7855094

Firm seeks suppliers of following type of products: Chemicals, fertilizers, plastic resins, raw materials in ores, lumber/wood.

JAPAN



Sunrise C.I. Inc.

Ms. Mayumi Kanazawa
110 Tatsumi
Okayama City, Japan 700
Phone: (0862) 44-4433
Fax: (0862) 44-4436

Sunrise is interested in importing Alaskan products. These include: general merchandise, accessories, interior goods and cosmetics. Please send product catalogs to Ms. Kanazawa.

Japan Resort Development Co.

Mr. Toshid Sugimoto
Yamada, Onna-son
Kunigami-Gun, Okinawa 904-04
Phone: 09896/50707
Fax: 09896/55011
Telex: 795262

Wishes to import live or frozen Dungeness crab and fresh or frozen King salmon.

Gold Jewelry

A Japanese importer is seeking gold jewelry. Please contact Katelyn Carrigan in the Office of International Trade 561-5585.

Youki Food Co., Ltd.

Mr. H. Ohki
General Manager
Sales Department
28-5 Momijigaoka 1-chome
Fuchu City, Tokyo 183
Youki Food Co. would like to import reindeer antler.

KOREA



Lucky-Goldstar International Corp.

Mr. S.M. Lee
Phone: 011-82-2-785-7166 or 5658
Fax: 011-82-2-783-6385 or
011-82-2-785-7762

Interested in importing salmon. Please send catalogs, samples, and price information for various salmon.

Korin Corporation

Mr. Sung Ho Kyung, President
Youngjong Bldg., Room 302
#1, Chungdam-Dong, Kangnam-Ku
Seoul, Korea
Phone: (02) 549-6711
Fax: (02) 547-3350
Korean firm interested in exporting mineral water, leather garments, and skiwear.

Contact Katelyn Carrigan at

561-5585 for more information.



Profile: Alaska State Office in Tokyo, Japan

by Kaz Hayashi, Alaska State Representative

The centerpiece of Alaska's foreign economic relations has long been Japan. Even today, with the economic prowess of Korea, China, Taiwan and the ASEAN nations, Japan continues to top the list of Alaska's trading partners. Led by higher seafood and timber sales to Pacific Rim nations Alaska's exports in 1988 reached \$2.2 billion of which Japan is the largest buyer of Alaskan goods accounting for \$1.6 billion of the total.

History

Alaska-Japan relations began in Sitka in 1954 with the establishment of Alaska Lumber and Pulp Co. This company employed over one-thousand Alaskans and was among the first large private employer in the State of Alaska. Alaska Lumber and Pulp's success led others to view Japan with increased attention. Several trade missions were subsequently organized to Japan in an effort to advertise Alaska's abundant natural resources and favorable geographic setting.

Alaska's interest in Japan continued to grow and the state established an Alaska State Office in Tokyo, Japan in December 1964. Alaska was the first U.S. state to establish a foreign office.

The mission of the state office is to act as an outlet for information about Alaska — especially Alaska's natural resources — and to also act as a liaison for government and private industries of both Alaska and Japan. The office assists each in the promotion and maintenance of smooth government relations to ease and promote trade projects. This is often challenging because two systems are converging: language, culture, government and economics from both Oriental and Occiden-

Common activities of the Tokyo Office:

- Arranging meetings and making appointments for Alaska trade missions.
- Business appointments and contacts for private Alaskan companies and people.
- Doing research and responding to individual trade inquiries from Alaska.
- Reporting and giving guidance on Japan's economy and government

tal perspectives.

Alaska's Tokyo office is located in the Yamakatsu building and shares an office with Alaska Department of Commerce and Economic Development's Division of Tourism. The International Trade staff consists of Kazunaga Hayashi, State Representative; Mariko Kuroda, market specialist and executive assistant; Kimiko Muguruma, secretary and information services; and Greta Andersen-Goto, Trade Specialist.

Please visit our office when in Japan. We are here to help Alaska businesses and government officials. We have a very efficient staff waiting to serve you. Without Alaskan supporters and friends, our office and our increasing trade with Japan could not exist.

The office's sole wish is for a very prosperous and internationally famous Alaska to bloom rully.

An Unusual Feat

After two months in business and one trip to Japan, the International Trade Alliance has received their first order for Alaskan native craft dolls.

In March, partners Terry Smith, Doug Adams-Smith, Sue H. Smith and Vikki Mills formed the International Trade Alliance with plans to export fresh salmon, Alaskan native crafts, gold nugget jewelry, and wooden furniture to the Pacific Rim. Initially targeting the Japanese market, Terry Smith and Doug Adams-Smith traveled to Tokyo in mid-April to introduce their company to Japanese buyers. With assistance from the Governor's Office of International Trade, the U.S. Trade Administration, and the World Trade Center they arrived in Tokyo to a full schedule of meetings.

Terry commented, "The Japanese are very quality conscious. When we were displaying our wares we had to explain the whole process of making an Eskimo doll. First you have to catch a seal, a muskrat, a rabbit, a badger and an otter. Then you have to clean them, tan the hides, and finally sew up the dolls clothing."

The order of 100 Alaskan native craft dolls will be sold in a specially boutique that retails hand-made dolls from around the world.

When asked her reason for leaving a secure job in the public sector and venturing into the international trade arena Terry commented, "The world gets smaller everyday. You can't go into business anymore and just work in the neighborhood. You have to reach the whole block. That's what we are trying to do. Who knows, in the future we may expand the business to include the whole city."



ALASKA



JAPAN



KOREA



Foreign Protocol Assistance Available

Are you wondering just how you're going to greet those business-people from Japan arriving in your community next month? Do you have business cards but you're not sure when or how to present them when you step into next week's meeting with a delegation from South Korea? Your boss is going to the USSR on business and has asked you to make some pre-visit contacts; who do you call? You thought you had an agreement with a firm from the PRC but there's been a misunderstanding and you're wondering what went wrong. Do you have problems with your new employee's telephone manners but you're not comfortable with trying to correct the matter? These and many other questions and situations which occur in the business world are addressed in two seminars now available through the Governor's Office of International Trade.

The Office presently has a protocol officer located in Juneau who can offer you suggestions and advice in "BUSINESS ETIQUETTE" and "FOREIGN PROTOCOL, WORKING WITH BUSINESS PEOPLE FROM THE PACIFIC RIM", each are three hour seminars. A manual, "Protocol, Business Etiquette, Country-Specific Information, Gift-Giving Ideas" is available for \$2 (payable to the State of Alaska). Countries covered in the manual are Australia, Japan, People's Republic of China, Philippines, South Korea, Taiwan and U.S.S.R.

The manual and further information can be obtained by writing Constance C. Stewart, Protocol Officer, OIT, P.O. Box A, Juneau, AK 99811

INTERNATIONAL TRADE SHOWS



AUSTRALLA

September 3-6 FINE FOOD '89. Australia's most successful food and drink exhibition. September 3-6, 1989 at the Sydney Convention and Exhibition Center. Contact: Katelyn O. Carrigan 561-5585.



CHINA

May 3-9, 1990 CHINA CONSTRUCT '90. Construction equipment and machinery exhibition. Contact: SHK International Services Ltd., Hong Kong, Phone: 5-8326100, Fax: 5-8380639.

June 7-12, 1990 ENERGY CHINA 90'. Exhibition and conference on energy source management, technology and equipment. Held at the Beijing Exhibition Center, China. Contact: Katelyn Carrigan at 561-5585.



EUROPE

March 21-28, '90 INTERNATIONAL CeBIT FORUM- Business USA. The world's largest trade fair for computers, software, office automation and telecommunications. Contact: Joachim Schafer or, Donna Hyland, (609) 987-1202.



JAPAN

August 2-3, 1989 VARIETY IMPEX FAIR '89. Gift and premium fair with excellent exposure and high demand for imported goods. Held at Tokyo Trade Center. Contact: The Boeki-Tsushin-sha, Japan, Phone: 03-841-8817, Fax: 03-841-5086

March 27-29, '90 SUPERCOMPUTING JAPAN '90. Sunshine City Convention Center, Tokyo. International exhibition and conference on high-performance computing hardware, peripherals, software and services. Contact: Meridian Pacific Group, Inc., Gerard Parker, phone: (415) 381-2255 and fax: (415) 381-1451

SAPPORO INTERNATIONAL TRADE FAIR '90. International exhibitions of all varieties. Contact: Sapporo International Trade Fair Association, phone: (011) 211-2362, 211-2367, fax: (011) 222-4081.



KOREA

September 7-10 KOREA WORLD TRAVEL FAIR '89. Promotion of tourism opportunities. Deadline to apply is June 30, 1989. Contact: Office of International Trade, (907) 561-5585.

Sept. 28- Oct. 1 KOREA VISIT USA FAIR will be held in Seoul, Korea and organized by the American Embassy there. The fair will include a 2-day trade show and 2-day consumer show. Contact: Katelyn Carrigan at 561-5585.

See Trade Shows...page 1



TAIWAN



CHINA



SOVIET UNION



Governor's Office of International Trade Sponsors Seminar

On May 4, 1989, OIT presented a trade seminar on "Doing Business with Taiwan" co-sponsored by Alaska Center for International Business, U.S. Department of Commerce International Trade Administration and Alaska Taiwan Business Association. Although May begins the busiest season for Alaskans, this one day seminar was well-received by interested Alaskan businesses and individuals.

Taiwan is Alaska's third largest trading partner. Alaska exports to Taiwan include timber, fish, royalty oil, urea, fertilizers and petro-chemical products. Trade between Alaska and Taiwan increased over 138% from 1987 to 1988. However, a great trade potential still exists for Alaska to increase exports to Taiwan. This seminar is a start toward this goal. Taiwan's development needs Alaska's natural resources to continue its economic expansion. Alaska's unique geographic location will be beneficial to Alaskan businesses in international trade with the Pacific Rim countries.

After a brief overview of Taiwan's recent economic growth, the seminar explored practical aspects for dealing with Taiwan, specific opportunities for Alaskan businesses, how to attract overseas investment to Alaska, and an example of a company's marketing strategy in Taiwan. Those interested parties also had private meetings with the speakers to further discuss their business interests with Taiwan.

Speakers at the conference were: Richard L. Walker, former U.S. ambassador to the Republic of Korea and a leading expert on China and East Asia; James W.C. Chang, Director-General of Taiwan's Coordination Council for North American Affairs in Seattle; Tseng-ti Chiang, CCNAA in Los Angeles; J.C. Chou, a senior investment specialist with the CCNAA New York office and John Sturgeon, president of Koncor Forest Products Company in Alaska.

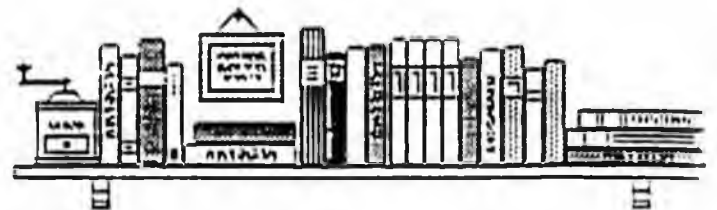
Taiwan presents some excellent trade opportunities to Alaska in the export market. If you are interested in exploring the potential of this dynamic market you can contact Li Chen at the Office of International Trade, (907) 561-5585.

Alaska . . . (cont. from page 1)

(KATFA headquarters) you saw pockets of Alaskans and Koreans meeting. You could see the papers on the table and hear people talking very specifically about opportunities," said the trade director.

A tour for Korean professionals is planned for late summer. Members of this tour are interested in investment opportunities in Alaska. Interest has been expressed in purchasing Alaska condominiums for investment and for use as vacation homes. Please contact Katelyn Carrigan of the Office of International Trade for more information at 561-2079.

U.S. government officials anticipate issuing over 1.2 million visas in 1989 to Korean tourists — Alaskans will certainly capture some percentage of this boon to tourism.





ALASKA



JAPAN



KOREA



**Alaska International Trade Digest
Subscription Form**

Please place me on your mailing list:

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Organization: _____

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*This issue of the Alaska Trade Digest was
prepared by Lisa Curtis,
with contributions by the staff of
the Office of International Trade.*

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

Trade Shows. . . from page 10

October 7-12 KOREA ELECTRONICS SHOW '89. Electronics - exporters, importers, and manufacturers should attend. Contact: EIAK Exhibition Department, Seoul, Korea. Phone: (02) 553-0941, fax: (02) 555-6195

November 3-7 KOREA INTERNATIONAL AUTO PARTS & ACCESSORIES SHOW will be held in Seoul Korea. Contact: Heather Jones, Project Manager U.S. Dept. Commerce, Rm. 4036, Washington, D.C. 20230, (202) 377-1418.

November 15-18 PRO SEOUL '89, U.S. Products Show. Highlight: high-tech and industrial electronics, computer, and telecommunications equipment. Deadline for application is July 31, 1989. Contact: Korea Trade Promotion Corporation, phone: (02) 551-4301, fax: (02) 551-4317.

MEXICO

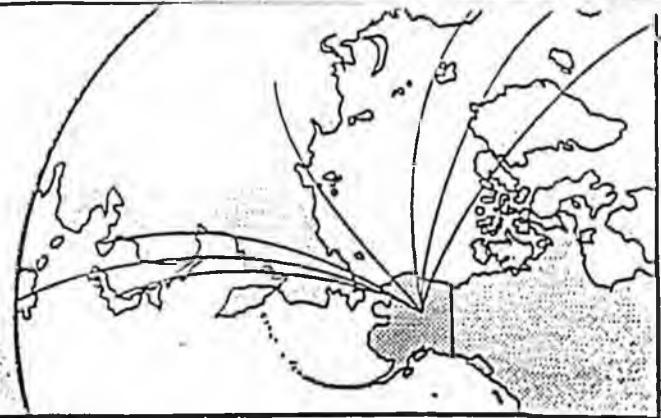
December 5-9 REP-COM '89. Held at the U.S. Trade Center, Mexico City. Exhibition for firms seeking representatives, distributors, licenses, or joint ventures in Mexico, Central and South America. Contact: US Trade Center, Laredo, TX, phone: (905) 591-0155.

PHILIPPINES

October 15-19 PHIL BUILD '90. In Manila Philippines. Exhibition of construction equipment, building materials and manufacturers. Contact: SHK International Services Ltd., phone: 5-8326100, fax: 5-

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ALASKA INTERNATIONAL TRADE DIGEST



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Governor's Office of International Trade

March, 1989

Steve Cowper, Governor

Robert Poe, Jr., Director

Diversity Marks Alaska's Showcase at Korea Trade Show

The Land of the Midnight Sun will be featured in the Land of the Morning Calm at the first-ever exclusively Alaskan trade fair in Seoul, Korea March 2-6. "This is Alaska's chance to be center stage in one of Asia's fastest-growing centers of commerce," Governor Steve Cowper said.

For three days, over 20 Alaska businesses and government offices will display their products, attend seminars, develop business ties and strengthen an already steady pattern of

MarkAir, Alaska Pulp Corporation, the Reindeer Herders Association, Usibelli Coal, Southeast Stevedoring, Cartoon and Black, Sealaska Corporation, Alaska Battery. A total of 34 private industry representatives will display in Korea.

Governor Cowper's Chief of Staff, Garrey Peska, will lead the state's effort at the trade mission. Government-related participants number 32 and range from Senators Szymanski and Zharoff, Representative Cato to

"The overwhelming response from Alaskans ... can bring about the enthusiasm and business commitment necessary to cement trading ties with Korea," noted O fice of International Trade director Robert Poe.

growth in Alaska-Korea relations.

"Alaskans are eager to trade with Koreans. Our list of participants demonstrates the diversity of Alaska businesses and government agencies involved in international marketing," noted Robert Poe, director of OIT.

Approximately 80 Alaskans will travel to Korea for the fair. A sampling of participants includes:

OIT director Robert Poe, International Airport executive director Paul Meyerhoff with Fairbanks and Anchorage airport marketing representatives. Anchorage, Seward, Fairbanks, Kenai and Valdez will have representatives to promote their city's resources and strategic business location.

The fair, designed to increase trade between the 49th state and Korea, is a

(see Diversity...page 7)

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Governor Cowper to Secretary of State Baker: "Open the Bering Straits"

"Now that relations between the Soviet Union and the United States are warming, we owe it to each other and the people who have crossed the Bering Strait for thousands of years to open it up again." Governor Cowper

Alaska Governor Steve Cowper called upon Secretary of State Baker to approve two measures that would facilitate the opening of the Bering Straits region. The measures would allow Natives easier travel in the region and establish a joint Alaska-Siberia Border Commission that would address incidents and issues related to the opening of a border.

Cowper sent Secretary Baker a letter urging him to approve two Circular 175s—State Department parlance for seeking approval to negotiate with the Soviets—in time for a series of negotiations to be held in Anchorage during the visit of some 92 Soviets between February 20-27. If Baker approves, the State Department issues an invitation to the Soviet asking them to negotiate. It is likely the State Department will choose Anchorage as the initial

(see Bridge...page 5)

Alaska International Trade Digest

is a publication of the Governor's
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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

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A message from Director Robert Poe, Jr.



Recently, the Valdez Vanguard published an editorial titled "Plenty of Buyers.... what's for sale?" which went to great lengths to explain why Valdez could never successfully market itself internationally. This editorial went right to the heart of the problem that will face many Alaskan communities trying to expand their economies through international trade. If we tell ourselves often enough that we are too isolated, our labor pool is too expensive, there is no room for expansion, Alaskans are not sophisticated enough to compete on the international market and so on, it becomes a self-fulfilling prophecy.

Alaska can sometimes be its own worst enemy when it comes to developing international trade. There has been a great deal of interest recently in developing international trade in Alaska by our overseas contacts. These international investors already know a great deal about our negatives. It's these negatives which are in the back of their minds when they look at investment opportunities here. Alaska's job is to work to mitigate these negatives and maximize our positive aspects.

Alaska has some very real negatives it must face. These negatives would certainly include our remote location, extreme weather, natural resources which are expensive to extract, a lack of required infrastructure and almost no tax or economic incentives to attract foreign or domestic investment. But, Alaska also has some very notable strengths including vast natural resources, a great geographic location, great natural beauty, good air and water transportation, high quality of life and Alaskans themselves.

When marketing any community you must first take an objective look at your strengths and weaknesses. Next, creative solutions must be developed which will maximize your strengths and minimize your weaknesses. How have Japan, Korea or Taiwan been able to achieve their great successes? None has any significant natural resources, yet each has been very successful in competing against industrial giants like the United States. Does this mean Americans are too lazy or unsophisticated to compete? Or does it mean that these Pacific Rim countries devised strategies that would maximize their strengths and minimize their weaknesses? I suggest it was the latter.

Here at OIT we often accompany foreign investors to Alaskan communities to show them potential locations for investment or development. Sometimes we hear why Alaska's negatives are too great to overcome. Or, we hear only about one solution, often a political solution, to the exclusion of other ideas. We hear why we don't want foreigners coming into the community taking Alaskan jobs. The foreign investors who are interested in Alaska also hear these things and worse, they hear it from Alaskans. Alaska can sometimes be its own worst enemy. It takes Alaskans to make the sale, but it is also Alaskans who sometimes fail to make the sale.

Alaska and Korea: Natural Partners

by Ambassador Richard L. Walker
(U.S. Ambassador to Korea 1981-1986)

When the Korea-Alaska Trade Fair opens on March 4th, there will be an opportunity for many of Korea's business and commercial leaders as well as other Koreans with a sense of adventure to discover that there is a natural partnership between the Land of the Morning Calm and United States' forty-ninth state. The three day festival at the Seoul Hotel Intercontinental Ballroom at the KOEX Center promises to be an important point in the steady pattern of developing relations between the two important Pacific areas.

During more than five years of service in Korea, I watched the consistent and steady growth in Korean-Alaskan relations. Alaska was the first state to open a permanent office in Seoul. Just a few of the many aspects of these relations deserve mention:

- Korean-Americans are the largest ethnic minority group in Alaska, numbering more than 10,000 out of the state's relatively small population of 530,000. Proportionately there are more Koreans and Americans of Korean descent in Alaska than any other state.
- One of the premier joint enterprises and Korean ventures in the fuel and energy field, the Usibelli Coal Mine, has been supplying low sulphur content coal for Korea's growing energy needs over a long period.
- The single largest sophisticated product ever exported from Korea, the \$225 million water treatment plant manufactured by Daewoo Shipbuilding; at Prudhoe Bay on Alaska's North Slope, has been acclaimed as one of Korea's most successful Hi-Tech achievements. I had opportunity for several visits to Daewoo during the construction of this complex facility and then to see it in action at the Prudhoe Bay site.
- Obviously aware of the growing close relations between Alaska and Korea and the tourism potential in both directions, Korean Air has purchased one of Anchorage's major downtown hotels, which it is now managing with efficiency and traditional patterns of hospitality.
- Anchorage has become a major transfer point for the growing air freight and express delivery services between East Asia and Europe and between the "Lower Forty-eight" and Pacific trading partners. Naturally the Republic of Korea, America's sixth or seventh trading partner in the world, is interested in this development.
- Korea, with its serious and growing need for clean and risk-free sources of energy will be a major player in the

During more than five years of service in Korea, I watched the consistent and steady growth in Korean-Alaskan relations. Alaska was the first state to open a permanent office in Seoul.

Trans-Alaska Gas System (TAGS), a project which will deliver liquified natural gas from Alaska's fabulous reserves (estimated to be more than a century's supply even with formidable yearly production) to the energy-thirsty economies of East Asia whose leaders are giving increasing attention to environmental concerns. Korean shipbuilders, now with best competitive prices in the world, will likely be the beneficiaries of the TAGS project which calls for up to fifteen complex and expensive container vessels. TAGS, the result of the vision and energy of Governor Hickel, will be delivering its clean energy from its politically stable and reliable source by the mid-1990s—Korea is a key player.

These are just a few of the items which come to mind in connection with the upcoming March 4-6 Trade Fair. There will be a broad range of Alaskan exhibits, contacts for Koreans looking to the future, and a seminar on "Doing Business with Alaska".

Governor Steve Cowper, who from the outset of his administration has stressed the importance

of Alaska's "Korean Connection" has assured President Roh Tae Woo and Korean business leaders that Alaska is determined to make the bonds continuous, consistent and strong. During his last visit in Seoul he earned the support and esteem of key Koreans by his dignified warmth and obvious enthusiasm for the "Korean miracle." Even though his schedule precludes his presence for the Korea-Alaska Trade Fair, he is sending a message and his closest associate, Chief of Staff Garrey Peska.

Some people have asked me why there is this unique affinity between Korea and our forty-ninth state. After talking with some of the Korean-Americans in Alaska I have concluded that there are at least three general reasons. First, in both areas there is a sense of frontier adventure full of challenges and opportunities for breaking new ground. Second, in both Alaska and Korea the people know that they are not among the great centers of power and influence and that they must have a degree of self-reliance. And finally, there is a compatibility and complementarity in the economies and resources.

Alaska is a natural future center for Korean trade, tourism, and enterprise; Korea is a natural future center for Alaskan energy, fisheries, timber and other products. Governor Cowper's Office of International Trade with justification is counting on the Korea-Alaska Trade Fair to further cement ties and mutual business interests, and it will.

Governor Cowper's Soviet Initiative Calendar of Events

Governor Cowper's diplomatic efforts to open the border between Alaska and the Soviet Far East have met with favorable responses from Moscow and Soviet Far East capital cities as well as the U.S. Department of State.

The following outlines recent Soviet-related events and lists Governor Cowper's activities through May, 1989:

- In December, Governor Cowper issued an invitation to Aeroflot to visit Alaska February 20 to deliver Soviet passengers to Anchorage for a cultural festival designed to celebrate the opening of the Bering Straits. The festival is being organized by Dixie Belcher and Camar. The Alaska State Chamber of Commerce is spearheading the logistics of a week of Soviet related events. OIT and ISER are organizing business relations for the Soviet delegation.
- February 20, 1989 at 1:30 Aeroflot is scheduled to land in Anchorage carrying some 92 Soviet passengers. Governor Cowper will be on hand to welcome the Soviet guests, especially representatives of the Russian Federation, the Ministry of Foreign Affairs, the Chukotka and Magadan Communist party leaders and the governor of Magadan Territory.
- Cowper is scheduled to host Soviet dignitaries in Juneau on Tuesday, February 21 where he will hold talks with the Soviets on an agreement that would permit the resumption of visits between Alaska and Soviet Native people. Officially sanctioned visits between relatives in each country stopped in 1948. Cowper's Office of International Trade and Washington D.C. office have worked closely with the Congressional delegation and the State Department, Soviet Desk to organize government to government negotiations on these matters.
- Cowper is also scheduled to hold talks with Governor Kobets of Magadan Territory to discuss

(see Calendar, page 5)

Joint Ventures Between Soviet and Foreign Enterprises

by Ron Miller

Because of the growing interest by Alaskan businesses in taking joint venture opportunities in the Soviet Union, OIT will, beginning in this issue of the Trade Digest, provide any information available to the office regarding Soviet joint venture laws. Information provided in this column may be from unofficial translations and should not be considered to be legal advice or official directives from the State of Alaska.

The basic legal framework concerning establishment and operation of joint ventures (JV) between Soviet and foreign enterprises within the Soviet Union was set out in two Decrees issued by the Soviet Council of Ministries in 1987. Among other things, the 1987 Decrees provided the following:

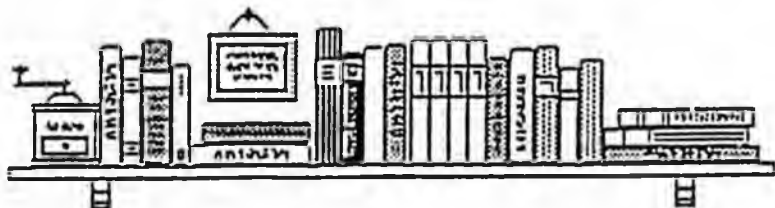
- Foreign ownership of a JV was limited to no more than 49%;
- The Chairman of the JV's Board of Governor's and the General Manager had to be Soviet citizens;
- JV profits are to be taxed at a rate of 30%; however, JV's are exempt from taxes on profits for a two year period immediately following the first declaration of a profit.

On December 2, 1988 the Council of Ministers adopted another Decree that modified the earlier directives, including the foreign ownership sections, the nationality of officers and taxation of JV profits. Some key elements of the new Decree are:

- The percentage of ownership by Soviet and foreign participants in a JV's authorized fund shall be set by agreement between the JV partners;
- The Chairman of a JV's Board or Director General may be a foreign nation;
- JV's established in the Soviet Far East are exempt from tax on profits during the three year period following the first declaration of profit. Further, profit taxes on these JV's are reduced to 10%.

OIT, the Alaska Center for International Business and the Institute for Social and Economic Research will sponsor a seminar on February 22, 1989 where Valery K. Lozovoy, Director General of the Association for Business Cooperation with the Countries of the Asia-Pacific Region will brief Alaskans on doing business in the Soviet Union. Information provided at that seminar will appear in future editions of the Trade Digest.

Ron Miller is an attorney and international trade specialist with the Office of International Trade.



Arctic Diplomacy: Bering Bridge Ski Expedition

At the end of February, Office of International Trade staff member Ginna Brelsford will join a group of 12 (six Soviets and six Americans, including three Eskimos from each side) setting out from the Siberian city of Anadyr for what's being called the Bering Bridge Expedition. It is a 1,200-mile trek by dogsled and skis that will travel to more than a dozen towns and villages on each side of the Bering Strait, cross the Bering Sea ice pack in late March and finish in late April in Kotzebue, Alaska. As the group crosses the International Dateline between (Soviet) Big Diomedes Island and Little Diomedes, governors from each side—and possibly ranking ambassadors—will be helicoptered in for a signing ceremony marking a protocol to allow Eskimos in the region free access across the border. The project

"This expedition in adventure diplomacy is really about meaningful exchanges at the fringe of world politics..." notes Ginna Brelsford

is the brain child of North Pole adventurer Paul Schurke and will be co-led by Schurke and the famous Soviet arctic explorer, Dimitry Shparo.

As the principle coordinator of Governor Cowper's Soviet Initiative, Brelsford has served in a unique position during an important period in Soviet relations. The Bering Bridge Expedition is a continuation and illustration of the broader opening taking place between the frontier regions of the two superpowers. The expedition echoes the history of the original inhabitants of North America moving across the ancient land bridge between the continents.

"This expedition in adventure diplomacy is really about meaningful exchanges at the fringe of world politics—it demonstrates how openings are made possible by the last few years' opening between Washington and Moscow and a series of bold moves by Governor Cowper and citizens," noted Ginna Brelsford.

The Bering Bridge Expedition is an exercise in diplomacy, international relations and physical stamina. Five languages, four cultures, two nations, men and women, Native and White, Russian and American—the expedition will draw upon each team members skills for survival in the rugged conditions of the Arctic. The team will visit villages along the Eastern coast that have been sealed off from both Soviets and Americans for the most part since 1948. It so happens that the principle trading partners for Alaskans reside in these villages.

Alaska journalist Stephen Lindbeck contributed to this piece.

Bridges . . . from page 1

venue for negotiations. Native leaders from Kawerak in Nome and Diomedes, Savoonga and Gambell will travel to Anchorage to participate in discussions.

It is hoped a joint statement—in principle and in language—will be negotiated in Anchorage in February and ready for signature by Governor Cowper and Governor Kobets, along with Native leaders at an April 1 International Dateline Ceremony. The event is scheduled to occur when the 12-member Soviet-American Bering Bridge Expedition crosses the dateline on skis. Three Siberian Natives and 3 Alaskan Natives are on the team. The Alaskan Natives are from the islands of Diomedes, Gambell and the historic trading center of Kotzebue, Alaska.

Calendar . . . from page 4

implementation of the protocol between Alaska and Magadan and to continue implementing this.

The dignitary visit to Juneau will include meetings before the House and Senate and discussions with the International Trade Committees.

- On February 24, Governor Cowper will announce the results of State Department and Ministry of Foreign Affairs discussions on a text he hopes to sign at the International Dateline on April 1 along with Governor Kobets of Magadan and Native leaders.

- On February 27, the Bering Bridge Expedition departs Alaska for Anadyr, Soviet Union on a charter Alaska Airlines flight. The Bering Bridge Expedition is a joint U.S.-Soviet ski and dogsled expedition scheduled to travel 1,200 miles from Anadyr, USSR to Kotzebue, Alaska over a two month period.

In addition to carrying the six American expedition team members and their support crew, the airline will transport some 15 airline officials to discuss civil aviation and tourism matters, some 25 mining officials—government and private sector—a telecommunications company representative, officials from Kawerak Native Corporation and the Reindeer Herders Association. Natural Resources Commissioner Bennie Gorsuch will lead the mining delegation. After spending 7-1/2 hours on the ground in Anadyr, the jet will return to Anchorage late the evening of February 27. Airkey organizer of the flight is Mr. Ron Sheardown, President of Greatland Exploration Ltd.

- April 1, Governor Cowper and Governor Roberts meet at the International Airport to welcome Bering Bridges Expedition as it crosses the Diomedes. The governors sign text on border travel.

- Between May 15-30, the State of Alaska will host a delegation from our sister province of Khabarovsk.

"Alaskans are leading the effort to melt the ice curtain between our state and country and the Soviet Union. These visits are important steps in that effort," said Governor Steve Cowper.

OIT Seeks Nominations for Exporter of the Year Award

The annual Exporter of the Year Banquet will be held on April 7. In order to ensure that every Alaska business has an opportunity to compete for the award, the Office of International Trade is seeking nominations of outstanding companies with demonstrated achievement in international arena.

If you are interested in nominating a company, please submit the following information to OIT:

- A brief description of the company;
- Company's export record;
- New products established;
- Additional supporting information.

The Office will make recommendations to the Export Council and to Governor Cowper for selection of the year's top exporter. For more information, please contact Li Chen in the OIT office at 561-5585.

Export Banquet Features Federal Express Speaker

The Third Annual Export Banquet will be held Friday, April 7, 1989 at the Sheraton Anchorage Hotel.

Mr. James J. Wheeler, Vice President for International Service Systems of Federal Express will be the featured speaker. Federal Express, a Memphis-based air freight company, is recognized as the world's leader in air cargo, especially the small package market. Federal Express recently announced that they will build a \$10 million-plus package sorting center at the Anchorage International Airport. An estimated 100-300 jobs will be created with the potential for up to 1000 jobs in the next five years.

A primary purpose for the banquet is to honor the top exporter of 1988. The award, known as the Governor's Exporter of the Year Award, celebrates the achievements of key Alaska businesses involved in the international marketplace. Last year, eleven Alaskan companies were finalists. Governor Cowper presented the Exporter of the Year Award to Sea Hawk Seafoods of Valdez, owned by Ray and Sandy Cesarini.

This year's banquet will also feature Russian and Chinese dinner entertainment. Tickets for the event may be obtained from the Export Council of Alaska at the Federal International Trade Administration Office, room B116 in the Federal Building at 222 W. 7th Avenue or by calling Chuck Becker 271-5041, Bill Coghill 333-4746 or Lin (Sloane) Garrison 243-0814 (evenings).

Alaska Center for International Business Hosts Conference on Pacific Rim Fisheries: Business Development and its Policy.

March 14-15, 1989 - Anchorage, Alaska

"Pacific Rim fisheries require continuing international cooperation in fisheries business development and its policy which will be mutually beneficial to all countries involved."

Conference brochure

The Alaska Center for International Business has joined forces with the U.S. Department of State, the Alaska Congressional Delegation, the Office of the Governor and the Alaska State Legislature to host a conference on Pacific Rim Fisheries. Featured speakers are scheduled to include: Ambassador Ed Wolfe, to speak on the international aspects of "U.S. Fisheries: Business Development and Its Policy" and Undersecretary for Oceans and Atmosphere, U.S. Department of Commerce Dr. William Evans to address the domestic elements of the same topic.

Each nation of the North Pacific will be featured in debates, panels and lectures. Governor Steve Cowper is scheduled to be the featured luncheon speaker on March 14. Mr. Tanaka, Director General of the Fisheries Agency of Japan is invited to speak on "Japanese Fisheries: Business Development and Its Policy." Mr. Lee Dong-Bai will speak on "Korean Fisheries: Business Development and Its Policy" and Mr. John Davies of the Canadian Department of Fisheries and Oceans will offer a Canadian perspective on the same topic.

A leading fisheries minister in the Soviet Union will speak on U.S.S.R. Fisheries and Business Development, Dr. V. K. Zilanov, Deputy Minister, Ministry of Fisheries of the Soviet Union while Mr. She Danu, Director of the Bureau of Aquatic Product, China Ministry of Agriculture will address China's fisheries and business development. The conference will end with an industry-based panel discussion with representatives of six North Pacific nations.

For more information, contact ACIB at 907-561-2322



Federal Express/Flying Tiger Merger to Boost Anchorage Economy

The Justice Department cleared the way for a merger between Federal Express and Flying Tigers into an international air cargo giant. The \$880 million deal dramatically alters the small package and large air cargo landscape: the deal brings together comparative advantages of both companies.

"The technologically sophisticated small package shipping capabilities of Federal Express are to be merged with the volume of the biggest carrier in the air cargo business, Flying Tigers. Given Federal Express' recent commitment to build a \$10 million parcel sorting center at the Anchorage International Airport, I see this as an extremely positive move for Anchorage's economy," said Robert Poe, director of the Office of International Trade.

The combined company estimated annual revenue would be \$5 billion with a fleet of 289 airplanes and an expansive worldwide air network.

Flying Tigers, long a familiar company on the Alaska airport scene, is discussing with airport authorities to increase its Alaska operating base.

Federal Express holds about 47% of the domestic market for small package shipping. Federal Express has faced serious competition from United Parcel Service in the domestic market and has recently attempted to enter the international air cargo arena. The acquisition of Flying Tigers enables Federal Express to leverage the sophistication of Federal Express' information system with the ability of Tigers to carry great quantities of cargo internationally. Now, Federal Express can enter the international arena with significant competitive strength.

With the development of an international air cargo hub in Anchorage, this is good news for Alaska's economy.

Diversity. . . (cont. from page 1)

joint effort between OIT, the Korea-Alaska Business Council, the Alaska International Airport System and the Alaska State Chamber of Commerce.

Korea is Alaska's second largest trading partner after Japan. In 1988, Alaska exported more than \$2 billion of products and services, an increase of 20 percent over the previous year. Exports to Korea primarily included fish, wood, petroleum, coal and other mineral products. OIT director Robert Poe has targeted natural resources and tourism development as the strategic areas for marketing Alaska-Korea trade ties.

Alaska and Korea form a natural partnership: Korea's business, commercial and government leaders cite Korea's need for natural resources and our civic and commercial leaders note our abundance of natural resources and our strategic proximity to the Republic of Korea. Still, natural commercial partnerships in the international arena require stamina, marketing and important forums for businesses to meet buyers.

"The overwhelming response from Alaskans signed up to participate in the Korea trade show (over 20 displays) indicates that teamwork — between the Korea-Alaska business council, Alaska businesses, the Korean community and several state offices — can bring about the enthusiasm and business commitment necessary to cement trading ties with Korea," noted Robert Poe.

OIT's Anchorage and Seoul offices have been primarily responsible for the organization of the Korea-Alaska Trade Fair. Trade lead specialist, Katelyn Carrigan, has spearheaded the Alaska effort while Seoul office director, K.S. Yang, has attended to the myriad of Korea-based details to ensure the fair's success.

"The diversity of our representation and the enthusiastic response are two notable elements of the trade show. But, a trade show is only the beginning, our office will be available to follow-up on the businesses' leads established in Korea and continue helping Alaska businesses with Korea commercial ties," noted fair organizer Katelyn Carrigan.

Alaska's Governor Advocates China Air Route

Governor Steve Cowper wants Air China to carry passengers and cargo between Alaska and the People's Republic of China. The governor has lobbied for increased routes for Japan, Korea and now China as critical means to ward off the loss of passenger flights due to routes now permitted to travel through Soviet air space.

Governor Cowper urged the U.S. Department of State and U.S. Department of Transportation to allow Air China to expand its services to Alaska in letters to officials of both departments.

The Office of International Trade and the Alaska International Airport System are working hard to establish Alaska as a hub for international trade, transportation and tourism. Cowper's administration has taken strong measures to market the state in each of the trade, transportation and tourism arenas. In October, Cowper announced a \$1.1 million effort by private companies and the state to market the international airports. Last fall, Alaska was designated one of six U.S. gateways for direct service between Japan and the United States. And, the state has lobbied hard for increased tourism flights between Alaska and Korea to match the Korean governments recent lifting of travel bans.

The move to bring additional lines—such as Air China—to Alaska emphasizes the states efforts to promote Alaska's strategic location.

ALASKA

JAPAN

KOREA

Trade Lead Bulletin

Export Trade Leads

CANADA

Basso Industries

Mr. Barry Johnston

Basso Industries

Suite 407 — 1155 Pacific Street

Vancouver, B.C., Canada V6E 3X8

Phone: (604) 689-5900

FAX: (206) 332-8874

Seeking suppliers in the following areas: electronic test equipment and tools for the service industry; telecommunication equipment; educational toys for children; art crafts; household articles and general mail marketing products.

Questport

Robert D. Lang, President

Suite 211-1010 Saint Andrews Street

New Westminster, British Columbia

Canada V3M 1W3

Phone: (604) 526-9299

Fax: (604) 420-8161

Firm seeks food and toy manufacturing products.

KOREA

Korin Corporation

Mr. Sung Ho Kyung

President

Room 302, Youngjong Bldg.

#1, Chungdam-Dong, Kangnam-Ku
Seoul, Korea

Phone: (02) 549-6711

Fax: (02) 547-3350

Looking for Alaskan exports of mineral spring water, skiwear, and leather garments, or to become an agent for your company.

Dong Mi Industrial Co., Ltd.

Mr. Yonho Kim, Chairman

C.P.O. Box 3853

Seoul, Korea

Phone: (02) 551-3878

Fax: (02) 551-3880

Would like to export fishing rods and tackle to an Alaska importer.

BRAZIL

Grupo Djalma de Oliverira

Rue: 3 de Dezembro, 61-7 Andar

01014 - Sao Paulo, Brazil

Phone: 37-1098

Telex: 01126503

Seeking firms interested in used bearings.

SOVIET UNION

A recent Governor's Office of International Trade Mission to the Soviet Far East gathered trade related information on:

Reindeer Industry

Wood processing

Arctic construction

Fish processing equipment

Tourism

JAPAN

Sunrise C.I. Inc.

Ms. Mayumi Kanazawa

110 Tatsumi

Okayama City, Japan 700

Phone: (0862) 44-4433

Fax: (0862) 44-4436

Sunrise has started an import business and is interested in importing Alaska products. These include: accessories, general merchandise, interior goods, cosmetics. Please send product catalogs to Ms. Kanazawa.

Peat Moss

A Japanese importer is seeking Alaska peat moss. Please contact the Office of International Trade for more information: 561-5585.

NT Frontier Road

Mr. Eiji Yamamoto

6f Ikeda Dai-ichi Bldg.

11-4 Yotsuya 3-chome

Shinjuku-ku, Tokyo 160

Phone: (03) 351-2225

Fax: (03) 351-2203

Mr. Yamamoto seeks Alaskan made gift and food products. Interested persons should contact Katelyn Carrigan at the Office of International Trade at 561-5585.

Thorico

3-8 Kamishijo-cho, Higashiosaka-shi

Osaka, 579 Japan

Seeking to import fishing tackles for anglers and survival goods.

Cosmo-Brain International, Inc.

Mr. Shinobu Araki

1-1-16, Shibuya

Shibuya-Ku, Tokyo

Seeking sources for importing 10 metric tons of frozen hair crab annually. Firm currently imports a monthly average of 1,000 kilos of dungeness crab, salmon, king crab and abalone.

AUSTRALIA

PK 88 PTY. LIMITED

Mr. John Colley

PK 88 PTY. LIMITED

P.O. Box 812

Double Bay, NSW, 2023

Australia

Phone: (61) (02) 387-7512

Fax: (61) (02) 389-5192

PK 88 PTY seeks suppliers of frozen fish, fish fillets, shellfish and other seafood. Bags of fillets should be approximately 5 kilos and should be boxed with 4 packages (5 kilos) per box to equal a 20 kilo package. Send price (F.O.B.) (SUS), estimated quantities and availability dates to Mr. John Colley.

PHILIPPINES

RSC Import/Export International

P.O. Box 10321

Broadway Centrum

1112 Quezon City

Philippines

Phone: 87-79-71

Fax: (63-2) 818-9720

Would like to appoint an agent in Alaska to represent the company on an exclusive basis.

TAIWAN

Ching Jun Co. LTD.

Chiu-Mei Yen

Purchasing Director

Box 28-138

Taipei, Taiwan, R.O.C.

Phone: (02) 5921298

Seeking to import health-related products: medical supplies, medicines, dietary supplements, health food and exercise equipment.

HONG KONG

Gold Beach International Corporation

David W. Berry, Marketing Manager

Rm. 1105-6 Hang Seng Bank Bldg; 339

Castle Peak Road

Kowloon, Hong Kong

Phone: (03) 866351-2

Fax: (8852) 3-7855094

Firm seeks suppliers of following type of products: Chemicals, fertilizers, plastic resins, raw materials in ores, timber/wood.

Contact OIT at 561-5585 for more information.



Profile: Alaska State Office in Seoul, Korea

by K.S. Yang, Alaska State Representative

Korea's economy was ushered into the 20th century through an export-driven economic development model. Today, this export-oriented model poses some serious challenges to the Korean government: three hardships — a currency appreciation, wage increases and trade protectionism — have emerged. In spite of these challenges, the Korean government forecasts continued growth of approximately 10% for 1989 and 7.45% for both 1990 and 1991. This forecast comes to fruition, Korea's Gross National Product will jump to over \$240 billion U.S. dollars this year and the current accounts surplus will also be augmented.

The European Economic Community and the U.S. are both demanding that the Korean government continue efforts to open its markets and curtail restrictions on the activities of foreign firms in Korea. And, on-shore Korean business investments are now being encouraged. Korea is the 7th largest trading partner of the U.S. and Alaska's 2nd largest trading partner after Japan. For Alaska, abundant in the natural resources Korea requires, these changes offer significant opportunity.

The Alaska State Seoul Office was established on June 10, 1985 to capture and magnify the bright opportunity for trade and investment with Korea. The Office is staffed with two permanent employees, the State Representative and a secretary. Mr. S.K. Lee, now President of the Korea Trade and Promotion Corporation has been designated by the State of Alaska as the Honorary State Representative in Korea.

The State Seoul Office is a contact point for government and private industry for both Alaska and Korea; it acts as an outlet for economic development, resource and trade information. Office goals include: expanding trade and business opportunities between Alaska and Korea by providing business information and data to the private and public sectors of the two countries; offering technical assistance, advice and support that will contribute to trade and business expansion and socioeconomic development by Korea in Alaska; conducting market survey for Alaskan products to Korea and assisting Alaska's marketing plan for Korea.

To meet these goals, the State Seoul Office has established relations with public and private Korean business firms;

Korea Foreign Trade Association, Korea Trade Promotion Corporation, Korea Chamber of Commerce and Industry, Korea Mining Promotion Corporation. Also, bilateral trade missions have been exchanged since 1985 to strengthen already existing relations and to further promote commercial trade.

In 1985, the State Seoul Office received 72 written trade lead inquiries. By November 1988, this had jumped to over 1,000 cases covering a vast array of industries and interests. The number of Alaska business people visiting Korea has increased significantly since 1985 as well as the number of Koreans visiting the Seoul Office to learn more about Alaska investment opportunities. The State Office sponsors seminars for Korean minerals and timber business leaders annually and also participates in the U.S. Embassy's trade show.

Tourism development is a key focus of the State Seoul Office. The Korean government, spurred by the successful hosting of the 1988 Seoul Olympics and due to the increase in current accounts surplus, lifted all existing travel restrictions, beginning January 1, 1989. The dramatic increase in potential outbound travel markets is expected to contribute substantially to the tourism market including Alaska. The Seoul Office participated in the 1988 Korea World Travel Fair, during which hundreds of travel agents stopped by the

Alaska booth to explore Alaska's tourism potential. Due to our office activities, a Korea travel agent organized a package tour of Korean tourists to Alaska last year.

Alaska-Korea trade is on the rise. With the full support of Governor Cowper and the Office of International Trade, the Seoul Office's promotional efforts have contributed to a 54% increase in trade between Alaska and Korea since 1985. Korea recorded the imports of Alaskan products totalling \$140 U.S. dollars in 1987; that figure represents a 54% increase over 1985 when the State Office was established. The Seoul Office will reinforce and invigorate trade through promotional activities that serve the best interests of Alaska. This will contribute to better trade opportunities between Alaska and Korea.

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The State Seoul Office is a contact point for both government and private industry for Alaska and Korea; it acts as an outlet for economic development, resource and trade information.

INTERNATIONAL TRADE SHOWS

Federal Trade Director Appointed

The U.S. Department of Commerce appointed Chuck Becker, formerly Director of Marketing for VECO Inc., to the position of Director of the Alaska Region of the International Trade Administration. Mr. Becker replaces Dick Lenahan, who moved to Portland, Oregon to head the Oregon International Trade Administration office.

Becker will be responsible for working with Alaska businesses in exporting Alaska-made products and services to foreign nations.

A specialist in government relations and marketing, Mr. Becker brings 25 years of experience with both public organizations and private companies to the job. His firm, MIA, Inc., lists Brown and Root, ARCO Alaska, the Alaska Oil and Gas Association, Mountain States Energy Corporation, VECO and many others among its key clients.

The U.S. Department of Commerce International Trade Administration Office is located at 222 West 7th Avenue in Anchorage and may be reached by calling 907/271-5041.



EUROPE - Italy

April 15-23 Milan Trade Fair. The largest trade fair in Europe. The U.S. will have a pavillion and several states have registered. Contact: Mark D'Angelo, (800) 524-2193.



JAPAN

March 7-11 FOODEX. Largest trade show for Japan's food industry. At the Tokyo International Trade Center. Contact: Japan Management Association, (63) 434-1391. January 31 deadline.

April 4-7 International Airport & Aerospace Engineering Exhibition and Symposium. At the International Exhibition Center, Osaka. Contact Osaka International Trade Fair Commission, (06) 612-3773.

April 18-23 Tokyo International Trade Fair. At the Tokyo International Trade Fair Grounds. Contact: Tokyo International Trade Fair Commission, (03) 531-3371.

April 27-May 1 TourEXPO. At the International Exhibition Center, Osaka. An exposition for the tourism industry and governmental agencies promoting tourism. Contact: Osaka International Trade Fair Commission, (06) 612-3773.

May 16-19 FOODEX Osaka. An international food exhibition at the Osaka International Exhibition Center. Contact: Japan Management Association, (03) 434-1391.

June 8-10 OSAKA Pack, at International Exhibition Center, Osaka, Organized by Japan Packaging Institute, (06) 444-6473.

June 13-15 EXPO Paper Asia. At the Tokyo International Trade Fair Grounds. This is the second international pulp and paper exposition and is intended to serve as a forum for discussions by pulp and paper producers and marketers. It will also serve as an exhibition for products and technologies. Contact: E.J. Krause & Associates (03) 584-1548.

July 26-28 Food Marketing Show '89. Tokyo International Trade Center. This show is not for general consumers but for food related buyers. Organized by Nihon Keizai Newspaper, Ltd. (03) 252-8157. Deadline for application: April 28, 1989.

September 26-28 The 4th Direct Marketing Exhibition. World Import Mart. 81-03-3161.



KOREA

March 2-11 KATFA '89. Korea-Alaska Trade Fair. Sponsored by the Alaska-Korea Business Council, the Alaska State Chamber of Commerce and the Alaska Office of International Trade. Contact: Bill Noll, (907) 224-3120. Registration deadline: December 15.

March 17-20 KORFISH '89. Korean fishing tackle show. Korea Exhibition Center (KOEX) Seoul. (02) 551-5212.

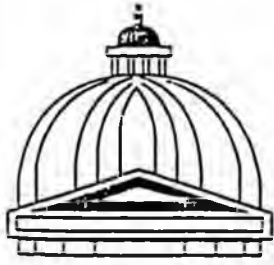
April 27-May 1 KORFOOD '89. Korean International Food Technology Exhibition. At KOEX, Seoul. Sponsored by the Korea Trade Promotion Corp. (KOTRA). (02) 551-4412.

June 13-19 U.S. Products Show. At KOEX, Seoul. Sponsored by KOTRA. (90) 551-4320.

November 15-18 U.S. Products Show — Seoul '89. Four-day show will provide U.S. manufacturers, exporters and government delegations with rental free exhibit space and other services to promote your exports to Korea. Contact Korea Trade Promotion Corporation at 02-551-4301/5 Fax: 02-551-4317.

Alaska State Office in Washington D.C. Tackles International Trade Topics

by Eric Ostrovsky, Associate Director for Commerce and Transportation



Alaska is one of 39 states and territories to establish offices in Washington, D.C. Alaska's office is increasingly involved in international trade issues.

Principal office functions include: Identifying and monitoring issues which arise in Congress and

various federal agencies in Washington D.C.; analyzing and formulating state policy on those issues; and advocating policy in appropriate federal forums.

The D.C. office is the state's primary contact with the Alaska congressional delegation and also responds to requests from the Legislative Information Office, individual Alaskans and organizations, and residents of other states. Many of these questions concern international commerce.

The D.C. office is currently involved in the following international trade issues:

North Slope Crude Oil Export Ban — Representatives of Alaska fended off efforts in Congress to prohibit the export of crude oil from Cook Inlet and to restrict the export of refined petroleum products from any new refineries in the state. Attempts last year by some members of Congress to use the Omnibus Trade and Competitive Act of 1988 (the Trade Bill) to expand the Alaska oil export ban proved unsuccessful.

The U.S.-Canada Free Trade Agreement, recently approved by the U.S. and Canada would permit the sale to Canada of up to 50,000 barrels-per-day of North Slope crude oil transported in American tankers. This is a significant step because other than a couple minor exceptions, this is the first time that crude oil from the North Slope can be exported. The U.S. Department of Commerce recently published interim rules allowing the export licensing of this oil.

This year, Congress will likely begin to focus on the reauthorization of the Export Administration Act (EAA), which expires in September, 1990. Section 7 (d) of the EAA effectively prohibits the export of crude oil transported through the Trans-Alaska Pipeline System. The state will continue to pursue its advocacy efforts with regard to removal of the export ban.

International Aviation Agreements — The State closely monitors the progress of various proceedings on international air services. In these cases, we advocate either retaining or increasing, as appropriate, international air service through the state.

Key activities:

- During the past year, the State acquired new rights for Korean passenger traffic. Expanded aviation rights were requested by U.S. negotiators in the Japanese, Hong Kong, China and Luxembourg talks. The State has also

supported *Flying Tigers* and *Federal Express* in their efforts to expand their international aviation systems through Alaska.

- The State urged the creation and implementation of an international aviation policy by the Federal government. A formal U.S. cargo policy, upon which the State had the opportunity to submit comments, is currently being finalized by the U.S. Department of Transportation.

Visa Waiver Program — Federal law calls for the implementation of a pilot visa waiver program, allowing reciprocal tourist rights without visas, with up to eight countries. Both Great Britain and Japan are in the program, which should stimulate increased tourist traffic from these countries to Alaska, as well as to the rest of the country. The law allows further expansion of the program to other countries.

Korean Visas — The State has worked with the U.S. State Department in an effort to ease the difficulties Korean tourists and business visitors face in obtaining visas to the United States. The State Department has responded by creating a better system of visa registration at the U.S. Embassy in Seoul.

Alaska/U.S.S.R. Tourism Development — Nome Customs Inspection — Another issue with involves domestic tourism to Alaska is the proposed Alaska Airlines flights and cruise ship routes between Alaska and Provideniya, U.S.S.R., and possibly other cities in Siberia. Representatives of the state have contacted the U.S. Customs and the Immigration and Naturalization Service about the need for better services to Western Alaska to facilitate these routes. The federal agencies have indicated a willingness to seek a mutually acceptable resolution of this matter.

U.S./U.S.S.R. Governing International Fishery Agreement (GIFA) — The United States and Soviet Union recently concluded a fishing agreement which provides reciprocal fishing rights within each country's fisheries zone. This agreement will enable U.S. fishermen to participate in joint venture fisheries for crab and other species within the Soviet zone (the Soviets have had access to the U.S. fisheries zone since enactment of the Magnuson Act).

Canadian Laws for Grading and Landing Fish — An international tribunal under the General Agreement of Tariffs and Trade struck down a Canadian law restricting the export for processing of fish caught in its waters. The issue is currently under discussion by high level trade negotiators from both countries and the burden is on the Canadians to develop a satisfactory solution.

The D.C. office's agenda of federal/state issues continues to change as issues are resolved and new matters are added to the list. In each instance, we work closely with the Alaska Office of International Trade, the Alaska Department of Commerce and Economic Development, other state agencies and local communities to develop a coordinated response.

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State of Alaska
Office of the Governor
Office of International Trade
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Anchorage, Alaska 99503



TAIWAN

- May 2-6 Taipei International Footwear & Leather Goods Show. This may present an opportunity for Alaska producers of salmon skin products. Contact: Tom Lin, (312) 321-9338.
- May 25-29 Taipei International Construction Show. Contact: Tom Lin, (312) 321-9338.
- March 12-16 Taipei International Food and Industry (1990) Show. Exhibition for agricultural products, processed food and food processing equipment. Contact: Tom Lin, (312) 321-9338.



MEXICO

- December 5-7 REP-COM '89. U.S. Trade Center in Mexico City. Exhibition for firms seeking representatives, agents, distributors, licensees or joint ventures in Mexico, Central and South America. Contact Mr. Charles B. Crowley, Project Manager, U.S. Trade Center. Telephone: 905 pr 525-591-0155, or Fax 905 or 525- 1115 to obtain participation forms or other information.

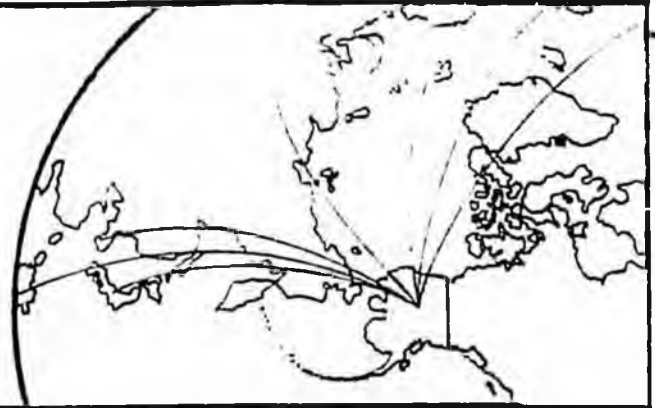


UNITED STATES

- May 15-17 San Francisco, California: Export Pacific 89, the Second Annual Exhibition and Conference on Pacific Trade and Investment. Contact: Meridian Pacific Group, 116 East Blithedale Avenue, Suite 2, Mill Valley, California 9491 Telephone: 415-381-2255, Fax: 415-381-1451.

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ALASKA INTERNATIONAL TRADE DIGEST



Vol. 1, No. 2

Governor's Office of International Trade

December, 1988

Steve Cowper, Governor

Robert Poe, Jr., Director

Economic Diplomacy: Alaska Signs Agreements with the Soviet Far East

The Governor's Office of International Trade organized an eight-member Alaska State Trade Mission to the Soviet Far East, led by Chief of Staff Garrey Peska, between October 19-29. The state mission produced significant results in government-to-government relations and strengthened forums for commercial ties between Alaska and the Soviet Far East. Alaskans pioneered the first ever Sister-State agreement between a

cations, aviation, tourism, mining, shipping, retail distribution and fisheries were forged; and cultural, sports and educational exchange programs were designed.

"It is a great personal honor to represent the state of Alaska at this historic juncture in U.S.-Soviet relations. It follows Governor Cowper's mandate for Alaska to move beyond its borders into the international arena," said Chief of Staff Garrey Peska. In

"During our talks in Khabarovsk, Alaska Airlines indicated its current priority is obtaining final Soviet approval for weekly summer tourism flights connecting Provideniya with Nome, Alaska beginning June of 1989. Alaska Airlines also indicated interest in extending tourist flights to Anadyr from Nome and to Magadan from Anchorage, possibly as soon as 1990," said Bruce Kennedy, CEO & Chairman of Alaska Airlines.

Soviet Territory and a state of the United States — Alaska and Khabarovsk Territory; 3 business protocols were signed between Alaska and Primorskii Krai (Vladivostok), Khabarovsk Territory and Magadan Territory; commercial ties in telecommuni-

addition to Mr. Peska, delegation members included: Bruce R. Kennedy, CEO and Chairman of Alaska Airlines; Bill Phillips, President, Alaska Joint Venture Seafoods; Samuel Salkin, President, Alaska Commercial Company; Ronald Sheardown, President,

(see *Economic Diplomacy*... page 4)

Alaska's Strategic Location Attracts International Air Freight Giant

A major state marketing effort has paid off: Federal Express, a Memphis-based air freight company will build a \$10.5 million international package sorting center at the Anchorage International Airport. "Alaska's strategic location — positioned halfway between Europe and Asia — combined with the already high percentage of air cargo that lands at the airport, helped serve as a magnet for Federal Express. I spend a great deal of time marketing Alaska to foreigners; a chief selling point is always our strategic location," said Robert Poe, director of the Governor's Office of International Trade.

"The Anchorage International Airport services over 95% of Asia to Europe and 70% of the Asia to the Lower 48 cargo. Most cargo, however, stays in the planes and is flown elsewhere once planes are serviced and refueled. Federal Express intends to use their airport facility to distribute air freight," said Gina Marie Lindsey, development manager for the Alaska International Airport System.

Federal Express company officials view the airport facility as an important hub in their international air cargo market. The 80,000 square-foot complex is slated for operation by fall 1989. It is estimated that over 100

(see *Federal Express*... page 9)

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Editor, Ginna Brelsford

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A message from Director Robert Poe, Jr.



The first edition of the Alaska International Trade Digest hit the newstands around the same time as I assumed my responsibilities as Director of the Office of International Trade (OIT) in April 1988. Since then, many positive developments have occurred in Alaska's international trade arena. The articles in the second edition of the International Trade Digest highlight these key developments. A six-month review of the Office of International Trade activities is included for your reference.

This is an exciting time to serve as Director of International Trade. I would like to share a few perspectives on my background and my management goals for the coming year: First, I come from the private sector. I have worked in management consulting for a number of years and served in a variety of state government capacities. I bring to my position an MBA in Finance and a particular bias about the most helpful role of government. I believe it is critical that the actions of state government and in this case, OIT, serve to facilitate international trade in Alaska; however, this role must not intrude upon nor prevent the development of business to business ties. Put more simply, our job is to put Alaskan businesses in contact with international trade opportunities and then serve as a resource when necessary.

A second management perspective I bring to my role is the belief that OIT, which has a fairly small staff and limited financial resources, is best managed by targeting specific international trade opportunities. I've reviewed the areas that hold the best trade potential for Alaska and am now focusing staff energies and my strategic plan accordingly. This means that we will focus on Japan, Korea, Taiwan, the Soviet Union, the People's Republic of China and Hongkong.

I'm pleased to announce the composition of the OIT team. I have structured staff changes towards building a team with the flexibility and skills to properly address a wide variety of international trade issues. OIT still has the same number of positions as we did in April, but the focus and responsibilities have changed. Ginna Brelsford is OIT's international trade specialist whose chief responsibilities include international relations issues. Ms. Brelsford is also responsible for the majority of Alaska's rapidly improving trade relations with the Soviet Union. She has an undergraduate degree from Brown University and a master's degree in international relations from the Fletcher School of Law and Diplomacy. Ron Miller has joined OIT after serving as staff attorney to the North Pacific Fisheries Management Council for the past 5 1/2 years. Ron brings to OIT a broad knowledge of international law, Alaska fisheries issues and an undergraduate degree in Russian studies with a fluency in Russian. Li Chen has joined the OIT staff with responsibility for international business issues. She is also responsible for Chinese speaking countries and the development of Alaska business relations. Ms. Chen was born in the PRC and also has family ties to Taiwan. She received her bachelor's degree in English in the PRC and recently received her master's degree from the University of Washington in international relations. Ms. Chen has worked for the last few years negotiating trade deals for the Alaskan company of Price and Chen. Katelyn Carrigan has recently been promoted to trade specialist with responsibility for the wide variety of smaller trade inquiries and support requests that OIT receives daily from Alaskans and

(see Director Poe's Message...page 9)



Alaska's Foreign Economic Ties Strengthened By Governor Cowper's Korean and Taiwan Trade Mission

A nine-day trade mission in August to Taiwan and South Korea by Governor Cowper has resulted in both nations expressing strong interest in Alaska's natural gas and a stepped up campaign to attract Korean tourists to Alaska. While on the trade mission, Cowper also signed a sister-state agreement with the Republic of China.

"This was a successful trip for two reasons: we made lots of key contacts that will pay off for Alaska and we laid the groundwork for business opportunities that will generate jobs for Alaskans," Governor Cowper said.

Two high-ranking South Korean officials visited Alaska as a result of Governor Cowper's trade talks in Korea and his meeting with President Roh, Tae-Woo. The Governor and the Office of International Trade welcomed Mr. T.K. Kim, president of Korea Techno-Venture Co., Ltd., and Minister Jin Ho Keum, Korea's former minister of Commerce and Industry. Mr. Kim was dispatched by President Roh to

"This was a successful trip for two reasons: we made lots of key contacts that will pay off for Alaska and we laid the groundwork for business opportunities that will generate jobs for Alaskans," Governor Cowper said.

discuss Korea's interest in purchasing Alaska's agricultural products, coal and natural gas. Mr. Keum traveled to further discuss trade potential between Alaska and Korea. Korea currently imports coal from Alaska and is exploring the possibility of importing natural gas and crude oil.

Korea is Alaska's second largest trading partner. In 1987, according to the U.S. Department of Commerce, Alaska exported over \$156 million to Korea. In addition to providing Alaskans with a potential export market, Korea is fast becoming a logical marketing arena for attracting Korean tourists to Alaska. On July 1, 1988 the South Korean government eased travel restrictions for Korean citizens. While the restrictions are being lifted gradually, the potential for a viable Korean tourist market to Alaska remains strong.

Alaska's new sister-state relations with the Republic of China emphasizes trade and encourages stronger economic ties. In 1987, Alaska's exports to Taiwan totaled \$24 million. The Chinese Petroleum Corporation of Taiwan has been the successful bidder the last two years for Alaska royalty oil from Cook Inlet. Officials have expressed strong interest in purchasing Alaska's natural gas. Taiwan is constructing a new LNG receiving facility capable of receiving 1.5 million tons of LNG annually by 1990.

Taiwan is an important target for Alaska's marketing efforts. The island nation has over \$76 billion in cash reserves. International Trade Office director Robert Poe traveled to South Korea and Taiwan in September to follow-up on trade mission discussions. Mr. Poe is scheduled to travel again to the Pacific Rim in December.

The Governor's Trade Mission included: First Lady Michael Cowper, Robert Poe, director, Office of International Trade; former U.S. Ambassador to Korea Richard L. Walker; Alaska Center for International Business director John Kim; Press Secretary David Ramseur and Bob Cockrell, Governor's Cowper's security assistant.

Governor Cowper taps Alaskans for Heilongjiang Forestry Commission

Alaska and China will explore joint forestry projects through a bilateral commission appointed this fall by Governor Steve Cowper. Four state officials and a professor will serve on the Heilongjiang Forestry Commission. Heilongjiang Province is located in northern China and is Alaska's Sister-State in China.

Commission members will explore the wood-products industry, exchange technical information and maybe negotiate timber sales. The group of Alaskans includes: Robert Poe, director of the Office of International Trade; Rod Swope, Governor Cowper's special assistant for natural resource issues; George Hollett, deputy director of the Division of Forestry; Frank Seymour, forest products marketing specialist for the Department of Commerce and Economic Development and Edmond Packee, professor of forestry at the University of Alaska-Fairbanks. The group is scheduled to travel to China in June.



Summary of Key Accomplishments

Alaska Trade Mission to Khabarovsk, Primorskii, Magadan Territories

Between October 19-29, 1988 eight representatives of Alaska businesses and government traveled to Soviet Asia to promote trade relations. Delegates met with officials from Khabarovsk, Primorskii, and Magadan territories.

- Signing of Sister-State Agreement between Alaska and Khabarovsk Territory;
- Signing of three protocol agreements detailing plans for commercial, cultural, educational and recreational exchanges between Alaska and Khabarovsk Territory, Primorskii Territory and Magadan Territory;
- Establishing commercial ties. Highlights of business negotiations pending: joint ventures in fisheries; Alaska and Siberia telecommunications system; exchange of retail goods; mining tours/exchanges, Soviet arctic shipping capabilities; transfer of technology, marketing, packaging and processing of reindeer products; and tourism projects.
- Delivery of ten Alaska business, academic and sports exchange proposals to government officials;
- Academic exchange relations between University of Alaska Southeast and Khabarovsk Territory educational institution; proposal to exchange youth between school #1 in Magadan Territory and Soldutna schoolchildren; proposals to exchange students and commercial projects between youth at Alaska's Mt. Edgecumbe school and Khabarovsk schools with a special emphasis on Native culture and art.

A final trip report on the Soviet Trade Mission is available from the Office of International Trade.

Economic Diplomacy (cont. from page 1)

Greatland Exploration, Ltd.; Lee Wareham, Senior Vice-President, Alascom; Girna Brelsford, International Trade Specialist, Governor's Office and Elisa Miller, Soviet Business and Trade Consultant.

These agreements — the Sister-State Agreement and the Protocols — offer Alaskans the necessary government-to-government forums to open doors with our Soviet neighbors. Office of International Trade director Bob Poe noted, "Alaska is at the cutting edge of U.S.-Soviet backdoor diplomacy. An important goal of my office is to build upon existing government/commercial ties to promote trade between Alaska and foreign nations." Governor Cowper's Trade Initiative and the signing of these agreements enables Alaskans to trade with their neighbors and to contribute to an overall positive climate between the United States and the Soviet Union.

Entrepreneurial ambition is a hallmark of the Alaska character. While Alaskans are comfortable in the world of innovation, the businessmen and government officials who traveled to the Soviet Far East, were challenged to negotiate business/government projects with Soviet officials who, for generations, have lived within a planned economy. For the Alaskans and the Soviets, this trade mission was like a crash course in capitalist economics and five-year plans.

"Both sides (the Soviets and Alaska business leaders) devoted considerable effort on the trade mission trying to comprehend and stake positions towards negotiations. Choices and interests were muddled, solutions barely framed. Yet the struggle for understanding and action persists. Somewhere in that struggle lies the sense of possibilities that creates the new consciousness that glasnost and perestroika requires," noted Girna Brelsford of the Office of International Trade.

Communication and transportation are two critical infrastructure components to any trade relationship. The participation of companies, such as Alascom and Alaska Airlines in developing trade becomes a vital link in opening the economic door to Alaskans. "The essence of the direct value of this trip — nut and bolt value — was that I sat down with the Soviet communications engineer and hashed out the first basic communication network between Alaska and the Soviet Far East," noted Lee Wareham, Vice-President of Operations for Alascom. Mr. Wareham emphasized that the system design element of linking Alaskans with Soviets in the Far East is not a difficult engineering problem. The politics, however, must be addressed through "bilateral negotiations between the Soviet Ministry of Posts and Telecommunications and the U.S. State Department and the Federal Communications Commission," said Wareham.

(continued on page 5)



Chief of Staff Peska & Deputy Chairman Uozhevitou sign Alaska-Khabarovsk Sister State Agreement



CEO and Chairman of Alaska Airlines Bruce Kennedy traveled to the Soviet Far East to discuss his company's pending proposal and to explore other possible links into the Soviet Far East.

"During our talks in Khabarovsk, Alaska Airlines indicated that its current priority is obtaining final Soviet approval for weekly summer tourism flights connecting Provideniya with Nome, Alaska beginning in June of 1989. Alaska Airlines also indicated interest in extending tourist flights to Anadyr from Nome and to Magadan from Anchorage, possibly as soon as 1990," said Mr. Kennedy.

(Alaska Airlines is still awaiting Soviet approval of their June 1989 start-up summer service program).

For Greatland Exploration President Ronald Sheardown, the trade mission offered a forum to advance a number of proposals — from mining to promoting sports exchanges and Alaska as a Winter Olympic site. "A value of this trip for me is that I was able to meet with the premier arctic shippers in the world. We held discussions on transportation corridors and shipping mine ore concentrates from Lost River, outside of Nome, to a Soviet smelting plant. Soviet vessels would then be used to ship the ore to Pacific Rim nations," Sheardown noted. Mr. Sheardown is currently planning a follow-up technical mining tour to the Soviet Union and has worked together with the Office of International Trade to issue an invitation to Soviet mining experts to visit Alaska for a tour of our mines.

Western economics — particularly capitalist economics with markets, prices and quality control — is difficult for Soviets to understand. A familiar concept to Soviet citizens, however, is that of cooperatives. Many agricultural farms are organized by a cooperative structure. So, when Alaska Commercial Company President Samuel Salkin, head of a 21 store retail cooperative, described his retail distribution network and product line, the Soviets listened with great enthusiasm. As a result, Mr. Salkin left the Soviet Union with a list of possible "deals" in hand.

"The essence of my discussions was that it is possible to have trade in both directions for fur and medicinal botanicals. We agreed to share with each other a comprehensive list of what we have for sale and the average selling price. Based on that information, we'll determine whether we are interested in being a buyer or seller," said Salkin. The Alaska Commercial Company President is also exploring the possibility of importing honey from Vladivostok and Native handicrafts from Magadan Territory.

Alaska Joint Venture Seafoods President Bill Phillips joined the mission to advance specific seafood joint venture proposals. Mr. Phillips' initial negotiations were positive and he is planning a return trip to further negotiate fish/technology transfer arrangements. "Without the assistance of a government-sponsored trade mission, I would not have gained access, as easily, to important Soviet officials," Phillips said.

(Excerpt from Trade Mission Report available at OIT 561-5585.)



Left to right: Bill Phillips, AIVS; Bruce Kennedy, Alaska Airlines; L. M. Zhaitanova, School #1 Magadan; Ron Sheardown, Greatland Exploration; Lee Wareham, Alascom

Chief of Staff Peska discusses Alaska-Magadan Protocol with Deputy Gov. Gargarinov. Alaska delegation looks on.

Governor Cowper's Alaska-Soviet Trade Chronology

- 5/87 Governor Cowper works with Dr. Ted Mala to launch the University of Alaska Siberia Medical Research Project.
- 7/87 Lynne Cox swim supported by Governor Cowper.
- Fall/87 University of Alaska SFR submits report of Alaska-Soviet Far East Trade. Governor Cowper sends message seeking a sister-province relationship. Receives favorable response.
- 3/88 Co-sponsors Alaska-Siberia Relations featuring Soviet Spokesperson Gennadi Gerasimov. Governor Cowper meets with Gerasimov.
- 4/88 Concerted efforts begin to launch the Alaska Airlines Friendship Flight between Nome and Provideniya.
- 5/88 Governor Cowper receives word that the Alaska Airlines Friendship Flight to Provideniya was approved.
- 6-13-88 Alaska Airlines Friendship Flight, Nome to Provideniya.
- 7/88 Office of International Trade staff travels to the Soviet Far East to promote trade relations and attend Security and Trade Conference.
- 9/88 Governor Cowper hosts Ministry of Foreign Affairs Journalists and Governor Kobets of Magadan and Mayor Kulinkin of Provideniya.
- 10/88 Governor Cowper meets with Ambassador Gennadi Gerasimov. Alaska Trade Mission to the Soviet Far East.



The Friendship Flight

"To push back and indeed begin to merge the frontiers of two great superpowers. To work toward the fulfillment of trade and commercial opportunities between Alaska and Siberia. And, perhaps most importantly, to help reunite Eskimo people of the region who have been separated, quite artificially, for two generations."

"Something infectious happens when people begin thinking of each other in human terms — and then pressing their leaders to think the same way. The language of politics and diplomacy too often becomes abstract, theoretical, devoid of human impact."

Gov. Steve Cowper



Governor & Michael Cowper arriving in Nome, Alaska, June 13, 1988

Governor Cowper's Friendship Flight Message

(Editor's Note: More than five months have passed since Governor Steve Cowper helped lead the Alaska Airlines Friendship Flight between Nome and Provideniya. The Governor's message, printed in a brochure for flight participants, continues to carry an important message — one worth telling again.)

Forty years ago, a barrier fell across the Bering Strait, closing a bridge between continents that had stretched for many thousands of years. We are rebuilding that bridge today, renewing a historic unity among people who have met the creative challenges of life in the arctic. Alaska and Siberia can be strengthened — together — by a growing exchange of people, ideas, culture and awareness. That is our aim as we embark upon this first step in a journey of understanding and peace.

I suppose everyone on the airplane has a different reason for being here. Some will meet long-lost relatives, or walk upon their ancestral homelands for the first time. Some will build personal ties with people they have already met by mail. Some will simply do their job — flying the plane, or providing staff support, or reporting to the world the results of this special passage. Some will dream of commercial opportunities, or tourism connections, or cultural exchange. Some will pursue a private or public agenda for world peace. Some will merely satisfy a nagging curiosity about a place that has long been no more than a misty vision on the horizon.

For me, both officially and personally, the reasons are exciting: To push back and indeed begin to merge the frontiers of two great superpowers. To work toward the fulfillment of trade and commercial opportunities between Alaska and Siberia. And, perhaps most importantly, to help reunite Eskimo people of the region who have been separated, quite artificially, for two generations.

Something keeps returning me to the simple and profound human claim these people present. From pre-historic times, Alaska and Siberia Eskimos have maintained family ties across the Bering Straits while adapting to some of the world's harshest environments. That they have been divided these past 40 years by international tensions half a world removed from their own lives is both tragic and unnecessary. That we are able today to break down that division, at least for one day, is a hopeful and powerful thing.

It is also a tribute to the persistence, imagination and outright accomplishment of those who made this flight possible.

There is Jim Stimpfle, in Nome, who has launched countless letters to public and private officials around the world. Once he took a batch of letters written by Nome fifth-graders — in Yupik, Inupiaq, Russian and English — and sent them up by balloon in hopes they would reach the Siberian coast on the winds. There is Alaska Airlines President Bruce Kennedy, who has committed his company's resources and expertise to this effort. There is Alaska Senator Frank Murkowski, who has kept the Friendship Flight on the agenda in Washington.

Best of all, there are the natural hopes of people for human contact, for overcoming barriers of mystery and mistrust. Something infectious happens when people begin thinking of each other in human terms — and then pressing their leaders to think the same way. The language of politics and diplomacy too often becomes abstract, theoretical, devoid of human impact. That is when people like Jim Stimpfle, seeing his Siberian neighbors as partners and friends rather than as adversaries in world politics, can make a difference. That is when it becomes possible to rebuild bridges.



STUDENT INTERN CORNER

Doing Business with Korea

by *Kyongsuk Kim*

Alaska's export base to Korea consists primarily of natural resources. Alaska and Korea form a natural partnership for international trade: Korea is poor in natural resources and Alaska is a state rich in resources. Korea is Alaska's second largest trading partner (after Japan) accounting for 10% of Alaska's 1987 export figures. Alaska is the only U.S. state to enjoy a trade surplus with Korea.

Major exports to Korea from Alaska in 1987 included (in thousands): petroleum products (\$28,758.1); coal (\$28,528.7); urea and fertilizer (\$23,674.2); forest products (\$23,524.5); and seafood (\$19,669.8).

Export Opportunities Defined

For Alaska, natural resources will continue to present the most favorable export opportunities.

1. **Natural Gas:** The Trans-Alaska Gas System (TAGS) will be facilitated if Alaska can market its gas to Korea. The Korea Gas Corporation has predicted a need for 3 million tons of additional natural gas supply by the year 1996. That is the initial amount the State of Alaska seeks to sell to Korea.
2. **Coal:** Coal exports from Alaska to Korea are likely to continue.
3. **Agricultural Products:** In 1987, Korea imported 4.5 million tons of feed stuff (mainly corn) from other countries. About 20% of Korean demand for feed stuffs can be secured from Alaska through a joint venture arrangement.
4. **Forest Products:** Korea is heavily dependent on Southeast Asia for its supply of forest products. This supply is being exhausted by excessive logging and therefore presents an opportunity for Alaskan forest product exporters.
5. **Seafood:** Koreans prefer seafood to meat. Given the increasing rate of affluence of South Koreans, Alaskans have an opportunity to increase their seafood exports to Korea. Some Koreans have also indicated interest in purchasing fish meal.
6. **Reindeer horns/antlers:** Reindeer antlers have been used as a health food for the old and weak in Korea. This represents an export market for Alaskans.
7. **Tourism:** Tourism to the United States by Korean citizens is expected to increase substantially in 1989. The Korean government has eased restrictions on foreign travel and the U.S. Embassy in Seoul has streamlined visa requirements/procedures for Koreans wishing to travel to the United States.

This brief report summarizes some export/tourism opportunities for Alaskans interested in doing business in South Korea. For more information, please contact the Office of International Trade in Anchorage at 907-561-5585.

Kyongsuk Kim is a graduate of Yonsei University in Seoul, Korea. He received his MBA in 1988 from the University of Alaska Fairbanks. Mr. Kim is serving as a research intern in the Office of International Trade.

Doing Business with China

A student's view

by *Susan D. Rodes*

SISTER STATES

A special friendship relationship was established with China's Heilongjiang Province in February, 1985. This agreement delineates a comprehensive program to promote trade, cultural and educational ties between Alaska and Heilongjiang.

TRADE RELATIONS

The sister state program demonstrates a desire for the expansion of trade. However, a lack of capital on the Chinese side makes it necessary to explore the possibility of counter-trade (an exchange of goods for goods not for money). The lack of hard currency presents a formidable barrier to expanded trade relations. However, counter-trade now accounts for thirty percent of all transactions worldwide and is expected to account for fifty percent by the year 2000. The Alaska Power Authority is currently negotiating a counter-trade arrangement with the Chinese government.

NEGOTIATING TECHNIQUES

According to Lucian Pye, author of *Chinese Commercial Negotiating Style*, there are six basic rules for negotiating with the Chinese: practice patience; accept long periods with no action; control against exaggerated expectations; be prepared for the Chinese to criticize with the hope of shaming the other side into action; believe that break-downs in negotiations are not necessarily caused by one's mistakes; try to understand Chinese cultural traits, but do not believe that a foreigner can practice them better than the Chinese.

Alaska, with its abundant natural resources, high technology, and close proximity to China, has advantages over other areas of the world. Alaska businesses must be prepared to capitalize on this position, before the advantage disappears.

Susan Rodes, a life-long Alaskan, interned with the Office of International Trade. She is currently studying at George Washington University in Washington D.C.



ALASKA



JAPAN



KOREA



Trade Lead Bulletin

Export Trade Leads

CANADA

Basso Industries

Mr. Barry Johnston

Basso Industries

Suite 407 — 1155 Pacific Street

Vancouver, B.C., Canada V6E 3X8

Phone: (604) 689-5900

FAX: (206) 332-8874

Seeking suppliers in the following areas: electronic test equipment and tools for the service industry; telecommunication equipment; educational toys for children; art crafts; household articles and general mail marketing products.

Questport

Robert D. Lang, President

Suite 211-1010 Saint Andrews Street

New Westminster, British Columbia

Canada V3M 1W3

Phone: (604) 526-9299

Fax: (604) 420-8161

Firm seeks food and toy manufacturing products.

AUSTRALIA

PK 88 PTY. LIMITED

Mr. John Colley

PK 88 PTY. LIMITED

P.O. Box 812

Double Bay, NSW, 2023

Australia

Phone: (61) (02) 387-7512

Fax: (61) (02) 389-5192

PK 88 PTY seeks suppliers of frozen fish, fish fillets, shellfish and other seafood. Bags of fillets should be approximately 5 kilos and should be boxed with 4 packages (5 kilos) per box to equal a 20 kilo package. Send price (F.O.B.) (SUS), estimated quantities and availability dates to Mr. John Colley.

SOVIET UNION

A recent Governor's Office of International Trade Mission to the Soviet Far East gathered trade related information. The following industries were identified as areas for potential Alaska-Soviet Far East trade: Reindeer Industry
Wood processing
Arctic construction
Fish processing equipment
Tourism

JAPAN

Landmark INC.

Mr. H. Asano

19-14 Hongo 6-chome

Bunkyo-ku, Tokyo 113

Phone: (03) 818-3613

Fax: (03) 818-4481

Mr. Asano is seeking the following information: detailed list of available live sea snail species, price and style of container.

KYOEI SHOJI Co., LTD.

Ms. Teruko Kobayahi

Trade Dept., No. 3

Kyoei Shoji Co., Ltd.

No. 19 Mori Bldg.

2020 Toranomom 1-chome

Minato-ku, Tokyo 105, Japan

Phone: (03) 502-6381

Fax: (03) 504-0577

KYOEI Shoji Co., Ltd. is seeking a supplier of live sea snails. Interested persons should contact Ms. Kobayashi.

NT Frontier Road

Mr. Eiji Yamamoto

6f Ikeda Dai-ichi Bldg.

11-4 Yotsuya 3-chome

Shinjuku-ku, Tokyo 160

Phone: (03) 351-2225

Fax: (03) 351-2203

Mr. Yamamoto seeks Alaskan made gift and food products. Interested persons should contact Katelyn Carrigan at the Office of International Trade at 561-5585.

KOREA

Dong Woo Corporation

B.K. Chang, President

4th Floor, Cheong-Hwa Bldg.

#173-6, Bumo 3-Dong

Susung-Gu, Daegu, Korea 706-013

Box 235, Daegu, Korea 706-600

Phone: (053) 753-5604

Fax: (053) 753-5605

Firm currently imports and distributes construction and electrical products in Korea. Dong Woo is seeking to expand their product line and is interested in learning more about Alaskan goods that can be exported to Seoul, Korea. Contact B.K. Chang.

TAIWAN

Ching Jun Co. LTD.

Chiu-Mei Yen

Purchasing Director

Box 28-138

Taipei, Taiwan, R.O.C.

Phone: (02) 5921298

Seeking to import health-related products: medical supplies, medicines, dietary supplements, health food and exercise equipment.

HONG KONG

Gold Beach International

Corporation

David W. Berry, Marketing Manager

Rm. 1105-6 Hang Seng Bank Bldg; 339

Castle Peak Road

Kowloon, Hong Kong

Phone: (03) 866351-2

Fax: (8852) 3-7855094

Firm seeks suppliers of following type of products: Chemicals, fertilizers, plastic resins, raw materials in ores, timber/wood.

Contact OIT at 561-5585 for more information.



Federal Express (cont. from pg 1)

jobs will be created in the short-term and that all construction contracts will go to Alaska-based firms. In addition to the \$10.5 million facility package, the State of Alaska and the Municipality of Anchorage will contribute \$2.3 million. The state has agreed to pay \$1.8 million to help with infrastructure: a boggy construction

"This was a team effort: Riley Snell, Gina Marie Lindsey and Paul Meyerhoff of the DOT team worked diligently to put together an acceptable package for Federal Express. They deserve a great deal of credit." Robert Poe, director, Office of International Trade

site needs attention as well as expansion of telephone, gas and electrical lines. The funds will come from airport operating revenue. The Municipality of Anchorage through the Anchorage Economic Development Corp., will contribute \$500,000.

Government-sponsored incentive packages designed to attract investors is common to the international arena. Nations often develop attractive incentive packages for international companies in order to gain their business. China designed special economic zones and special tax moratoriums for companies. The Soviet Union is engaged in establishing free trade zones for similar purposes. Alaska too participates in courting international companies. "By successfully landing the Federal Express facility in Anchorage, we have automatically forced other international air freight companies to notice our strategic location. Competition may serve to further emphasize our prized location and we may see more companies coming to Alaska as a result of Federal Express' step," said Governor Steve Cowper.

Federal Express grossed over \$3 billion last year. The Department of Transportation, especially the airport team combined efforts with the Office of International Trade and the Municipality of Anchorage to lure the air freight company to Alaska. "This was a team effort: Riley Snell, Gina Marie Lindsey and Paul Meyerhoff of the DOT team worked diligently to put together an acceptable package for Federal Express. They deserve a great deal of credit." Robert Poe, director, Office of International Trade.

Director Poe's Message . . .

(continued from page 2)

overseas businesses. Katelyn just received her bachelor's degree in business from UAA. Connie Stewart continues to answer protocol inquiries from Juneau. Isabell Calvo-Wildermuth joined our staff as administrative assistant and Sue Kinney continues to serve as executive secretary.

Beginning in May, OIT instituted an intern program. Last summer the office served as a training ground for students interested in learning more about Alaska's international trade issues. Individuals who filled these positions range from Captain Tom Wilhelm, a West Point graduate who is studying to be a foreign service officer in the Army. Mr. Wilhelm donated his time to work on Soviet Affairs. Susan Rodes, a life-long Alaskan served for two months as a

general trade researcher and Kyongsuk Kim continues to act as chief research specialist for the office. Mr. Kim is a recent graduate of UAF where he received his MBA. We intend to expand our internship opportunities to Mt. Edgecumbe and other high school students involved in international trade programs.

With these changes: a focus on facilitating international trade opportunities without government intrusion; a clear focus on targeted markets and opportunities; and a flexible, energetic and competent OIT team, Alaskans will be well-served in efforts to expand international trade. OIT's goal is, as well all know, to increase international trade and provide jobs in Alaska

Marketing Alaska Salmon in Australia

Alaskan Gold Seafood Receives Export Permit

"Your help (Office of International Trade) was a large factor in our success in Australia. I want to express my appreciation to Steven D. Ellis, Export Manager, Alaskan Gold Seafood."

Alaskan Gold Seafood of Anchorage and Soldotna recently received a permit to export processed salmon to Australia. "Reaction to our products at Expo 88 were very favorable, largely because of the help of our Alaska delegation headed by Ms. Jane Angvik. All we needed was the permit and some exposure; quality and service did the selling for us," Mr. Ellis said. Alaskan Gold Seafood distributes smoked salmon, crab legs, and shrimp in gourmet/gift packs that do not require refrigeration.



Korea-Alaska Trade Fair



Slated for March 2-11, 1989

(Deadline for registration: December 15)

The Korea-Alaska Trade Fair (KATFA) is scheduled for March 2-11, 1989 in Seoul, Korea.

KATFA 89 is sponsored by the Governor's Office of International Trade, Alaska State Chamber of Commerce and the Alaska-Korea Business Council. K.S. Yang, the Alaska Trade Representative in Seoul, will coordinate the event in Korea with the Korea Chamber of Commerce and Industry and the Korea-Alaska Economic Cooperation Committee.

KATFA 89 objectives include: to increase and expand trade between Alaska and Korea; to explore possible joint ventures; to find agents and distributors for Alaska businesses; to distribute information about Alaska as an investment opportunity and tourist destination spot and to provide a forum for Korean business leaders to meet Alaskans.

Trade fair organizers are seeking Alaska business people interested in traveling to South Korea in March to represent their companies. The registration fee is \$350.00. Each participant is responsible for air transportation, hotel, food and air freight costs for transporting their booth or company products to Korea.

For more information and to register, please contact the Office of International Trade, 3601 C St., Suite 798, Anchorage, Alaska 99503 or phone at 907-561-5585.

INTERNATIONAL TRADE SHOWS



EUROPE - Italy

April 15-23 Milan Trade Fair. The largest trade fair in Europe. The U.S. will have a pavillion and several states have registered. Contact: Mark D'Angelo, (800) 524-2193.



JAPAN

December 8-11 World Travel Fair. Tokyo. Contact: World Travel Fair Organizing Committee, (03) 234-7054.

February 15-17 InterGift. Exhibition for gift products. At the International Exhibition Center, Osaka. Contact: Osaka International Trade Commission, (06) 612-3773.

March 7-11 FOODEX. Largest trade show for Japan's food industry. At the Tokyo International Trade Center. Contact: Japan Management Association, (03) 434-1391. January 31 deadline.

April 4-7 International Airport & Aerospace Engineering Exhibition and Symposium. At the International Exhibition Center, Osaka. Contact Osaka International Trade Fair Commission, (06) 612-3773.

April 18-23 Tokyo International Trade Fair. At the Tokyo International Trade Fair Grounds. Contact: Tokyo International Trade Fair Commission, (03) 531-3371.

April 27-May 1 Tour EXPO. At the International Exhibition Center, Osaka. An exposition for the tourism industry and governmental agencies promoting tourism. Contact: Osaka International Trade Fair Commission, (06) 612-3773.

May 16-19 FOODEX Osaka. An international food exhibition at the Osaka International Exhibition Center. Contact: Japan Management Association, (03) 434-1391.

June 13-15 EXPO Paper Asia. At the Tokyo International Trade Fair Grounds. This is the second international pulp and paper exposition and is intended to serve as a forum for discussions by pulp and paper producers and marketers. It will also serve as an exhibition for products and technologies. Contact: E.J. Krause & Associates (03) 584-1548.



KOREA

March 2-11 KATFA '89. Korea-Alaska Trade Fair. Sponsored by the Alaska-Korea Business Council, the Alaska State Chamber of Commerce and the Alaska Office of International Trade. Contact: Bill Noll, (907) 224-3120. Registration deadline: December 15.

March 17-20 KORFISH '89. Korean fishing tackle show. Korea Exhibition Center (KOEX) Seoul. (02) 551-5212.

April 27-May 1 KORFOOD '89. Korean International Food Technology Exhibition. At KOEX, Seoul. Sponsored by the Korea Trade Promotion Corp. (KOTRA). (02) 551-4412.

June 13-19 U.S. Products Show. At KOEX, Seoul. Sponsored by KOTRA. (90) 551-4320.



TAIWAN

May 2-6 Taipei International Footwear & Leather Goods Show. This may present an opportunity for Alaska producers of salmon skin products. Contact: Tom Lin, (312) 321-9338.

May 25-29 Taipei International Construction Show. Contact: Tom Lin, (312) 321-9338.

March 12-16 Taipei International Food and Industry (1990) Show. Exhibition for agricultural products, processed food and food processing equipment. Contact: Tom Lin, (312) 321-9338.



Governor's Office of International Trade

Notebook of Foreign Dignitary Visitors/Key events

April-November 1988

(Editor's Note: This notebook is designed to convey the key events and visitors to the Governor's Office of International Trade.)

April 1988

- Robert Poe Jr. takes over as Director, OIT
- OIT/Alaska State Chamber of Commerce co-sponsor Alaska-Siberia symposium; hosts Soviet Chief Spokesperson, Ambassador Gennadi Gerasimov.
- OIT/ISER Report on Alaska-Soviet Far East Trade Potential released.

May

- Governor Cowper meets with Japanese Prime Minister Takeshita.
- Co-sponsorship with U.S. Department of Commerce. symposium on U.S.-Canada Free Trade Agreement.

June

- Coordination of Governor Cowper's Friendship Flight between Nome, Alaska and Provideniya, Magadan Oblast.
- Co-sponsorship of EX-IM Bank seminar.
- Preparation for Governor Cowper's Trade Mission to Korea and Taiwan.
- Taiwanese Chai Yi delegation visits Alaska.

July

- Governor Cowper leads trade mission to Korea and Taiwan along with Robert Poe, Jr. and Ambassador Richard Walker. Re-established strong international presence in South Korea — Governor Cowper was among the first American Governors to meet with President Roh Tae Woo; signed a sister-state agreement between Taiwan and Alaska and promoted Alaska's natural gas pipeline. South Koreans expressed renewed interest in Alaska agricultural products.
- OIT and the Alaska Center for International Business, hosts Fletcher School of Law and Diplomacy students/professors for a symposium on "Alaska and the Future of the North Pacific."
- Ginna Brelsford of OIT travels to the Soviet Far East to attend a conference on "Security and Trade Relations in the Pacific Basin." Groundwork laid for October Governor's Office Trade Mission to the Soviet Far East.
- OIT hosts Mr. Furukawa and Japanese Diet Members.
- U.S. Fisheries Ambassador Ed Wolfe visits and lectures on international fisheries.
- OIT hosts Hankyu Department Store Group to promote Alaska seafood products.
- Idemitsu Kosan visit to discuss Wishbone Hill coal project.

August

- OIT hosts Mr. Ota, Chairman of TOHO Mutual Life, to promote Alaska investment opportunities.

- Ambassador Nobuo Matsunaga visits to investigate oil and gas production systems and reserves on Alaska's North Slope and to view coal deposits.
- Director Robert Poe travels to Japan and South Korea to follow-up on Governor's July trade mission.
- Governor Cowper announces the successful negotiations to locate a Federal Express air cargo hub in Anchorage. Project will bring 100 new jobs to Alaskans.

September

- OIT hosts Mr. T.K. Kim, President of Techno Ventures to further explore exporting Alaska coal, LNG and agricultural products to Korea;
- OIT hosts Minister Keum Jin Ho, sent by President Roh of Korea to followup on Governor Cowper's meeting with the President. Four areas of interest: LNG gas pipeline; development of Alaska agricultural exports to Korea; development of Alaska tourism opportunities for Koreans and means to market and emphasize Alaska's strategic/geographic location.
- Governor Cowper and OIT receive Soviet delegation: Governor of Magadan Territory Kobets and Mayor of Provideniya Kulinkin travel via ship from Provideniya to Nome, Alaska. The delegation is accompanied by Ministry of Foreign Affairs staff and ten foreign journalists. OIT arranged for a wide range of presentations to Soviet officials by Alaskans interested in establishing trade ties.
- 25 person Keidanren Investment Mission hosted by OIT
- JETRO director visits from San Francisco
- Heilongjiang Forestry Commission Group visits Alaska. Joint Alaska-Heilongjiang Forestry Commission established by Governor Cowper.
- Director Robert Poe delivers speech on U.S./Canada Free Trade Agreement at the North American Policymakers Conference in Montreal, Canada.

October

- OIT at State Chamber in Sitka, Alaska
- OIT organizes October 19-29 Trade Mission to the Soviet Far East.
- Director Robert Poe hosts Idemitsu Kosan — Mr. Shono, Mr. Mimuroto
- OIT hosts Mr. Yamamoto of NT Frontier Road.

November

- OIT hosts Director General James Chang Matthew Lee and of CCNAA.
- Korean Mining Promotion Group hosted by OIT.
- Ginna Brelsford delivers speech to U.S.-Soviet Trade Conference at Lewis and Clark College.
- Director travels to Pacific Rim: Taiwan, Japan and Korea.



ALASKA



JAPAN



KOREA



Governor's Office of International Trade Ongoing Office of International Trade Targeted Projects:

The Office of International Trade mission is to increase international and domestic trade with Alaska. To that end, the office devotes considerable staff time to processing and promoting routine trade leads between Alaska businesses interested in expanding internationally and to marketing Alaska as an investment opportunity to foreign investors. In addition to these routine efforts, the office targets longterm projects. They are, in no particular order:

- Promotion of Alaska's LNG line to Pac-Rim nations.
- Idemitsu-Kosan: OIT coordinating with state agencies to develop Wishbone Hill coal project.
- Mitsui: Development of Hatcher Pass Ski Area.
- Unitary Tax : working to revise present unitary tax structure to make Alaska more appealing as investment location.
- Assisting with routine trade leads/inquiries.
- Coordinating with Alaska Department of Commerce with

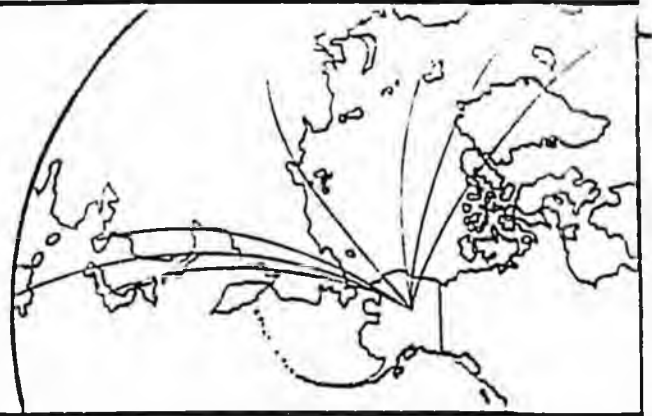
international trade leads and coordinating with Alaska Center for International Business, and the U.S. Department of Commerce.

- Assisting the Alaska Seafood Center with project development.
- Assisting the Airport Marketing Group with promotion and development of Alaska as destination tourism location and air cargo hub.
- Assisting with project development: Federal Express Air Cargo.
- Continuing to spearhead Alaska-Soviet Far East trade opportunities.
- Participation in Bilateral Air Routes Coordination Committee.

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

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ALASKA INTERNATIONAL TRADE DIGEST



Vol 1 No. 1

Governor's Office of International Trade

April, 1988

Steve Cowper, Governor

Ben Harding, Acting Director

Bering Sea Fisheries Venture Opens Soviet Trade Door

The American Bering Sea Crab Fleet recently got the green light to proceed with negotiations between the U.S. and the USSR to allow American crabbers access to Soviet fishing grounds.

A group of U.S. fisheries industry and government officials — some of them are Alaskans — recently returned from a meeting in Khabarovsk Territory in the Soviet Far East where they gained agreement on a protocol — or framework for negotiations — for increased U.S.-USSR ventures. The success of the fisheries protocol has far reaching implications for increased economic ties between Alaska and Siberia.

"If we're successful in getting this opening in fisheries, it will open the door to a lot of other business relationships for Alaska," says Larry Cotter of Juneau, one of the 13-member U.S. delegation who met with Soviet fisheries officials in Khabarovsk last March 14-18.

Soviet officials at the meeting expressed interest in buying surplus Alaska salmon from Norton Sound as well as Alaska hatchery and salmon-rearing expertise for mariculture and salmon-enhancement projects.

The Soviets also expressed great interest in modular housing for remote areas, something in which Alaskans have expertise.

The Khabarovsk Meeting

The U.S. delegation in Khabarovsk worked out the protocol with 39 senior Soviet fisheries officials, led by T. Luzikov, deputy director of Dalryba, the national fisheries organization. The agreement will lead to follow-up meetings on specific fisheries ventures.

In the U.S. group were representatives of the Alaska Crab Coalition, representing the crab fleet, Alaska joint venture operators, fish processors, Alaska Fish and Game Commissioner Don Collinsworth, Chair of the North Pacific Fisheries Management Council Jim Campbell, and Unalaska Mayor Paul Fuhs.

The agreement eventually could bring the opening of Soviet-controlled Bering Sea waters to U.S. fishermen, processing of the product by the Soviets, and exchanges of advanced fishing and processing technology. Sales of surplus salmon from Norton Sound could be important to coastal villages in that area concerned over the loss of preferential purchasing arrangements from the Japanese because Japanese fleets no longer have allocations of fish from U.S. waters.

Alaskans who were in Khabarovsk caution against high expectations, however: "This thing is by no means put together yet," says Larry Cotter of Juneau, who represented the crab fleet.

(continued on page 3)

New Foreign Investment: Coal and Tourism

Two major new projects involving Japanese investment in Alaska, developed initially with Alaska's Office of International Trade, are now moving into the advanced planning and development stages.

One project involves development of the Wishbone Hill bituminous coal mine in the Matanuska Valley north of Anchorage, being developed by Idemitsu Kosan Co., a major Japanese energy company, in partnership with Union Pacific Resources.

The second is Mitsui Corp.'s plan for a recreational ski development in Hatcher Pass, also in the Matanuska Valley. Mitsui, a large Japanese trading company, was awarded a 55-year lease on 11,500 acres of state lands in late March. The company committed itself to development of a recreational ski area, and ultimately hopes to build a \$150 million international ski resort at the site.

Idemitsu and Union Pacific are now in the permitting stage for Wishbone Hill, with an aim to begin mine construction in 1990 and production in 1991. The mine is being planned for production of one million tons a year of bituminous coal, which is of better quality than the sub-bituminous coal now being produced and exported from the Usibelli Mine in Interior Alaska. This single project will increase Alaska's coal exports by two and a half times. 185 workers will be employed in mine construction and about half that number in operations.

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Alaska International Trade Digest

is a publication of the Governor's
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Alaska International Trade Digest provides 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.

GINNA BRELSFORD, Editor

Vol. 1, No. 1 April 1988

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I.H. KIM, Secretary

International Trade Office: What It Does

Alaska's International Trade Office (OIT) promotes development of trade with foreign nations, particularly Japan, South Korea, Taiwan and the Peoples' Republic of China. The State of Alaska has maintained an office in Tokyo since 1964, and was the first U.S. state to have a Japan office. There are now 34 U.S. state offices. The Seoul office was opened in 1986, also the first for a U.S. state. Eleven states now have Korean offices.

The Tokyo office, headed by Kazunaga Hayashi, has a staff of three. The office in Seoul, headed by Kyung Sun Yang, has a staff of two.

OIT is headquartered in Anchorage with Ben Harding serving as acting director. The Anchorage office has four "trade advocates" and two secretaries. Staff members in Anchorage are: Ginna Brelsford, specializing in U.S.-East Asia relations, international marketing and Soviet affairs; Mary Fleming, specializing in trade lead promotion; Martha Fox, legal adviser; Steve Roberts, foreign office operations; Katelyn Carrigan, support staff and protocol officer; and Sue Kinney, executive secretary. There is also a Juneau office with two trade advocates: Nick Coti, specializing in China and Taiwan, and Connie Stewart, protocol officer and trade lead assistant.

Activities of OIT are part of the state's overall economic development program, aimed at diversifying the economy and increasing employment. OIT provides assistance or information to Alaska companies seeking overseas sales, foreign firms looking to buy Alaska goods, or overseas companies interested in investing in Alaska.

A protocol office was recently established to help business people better prepare for trade relations and negotiations. The office also develops and provides foreign translation for promotional videos and publications and manages trade missions.



Demand from Alaskans for export assistance quadrupled during 1987. OIT was involved in more than \$750,000 in signed contracts with Alaska firms doing business in Japan, South Korea and the Peoples Republic of China. The office is still involved in almost \$5 million in pending contracts in such areas as scrap iron, bottled water, glacier ice, timber and manufactured items.

There were 2,693 requests for information from Alaskan or foreign businessmen during 1987; 475 specific requests for assistance from Japanese or Korean buyers and 480 requests for assistance from Alaskans seeking to sell products. The office assisted 29 trade delegations during the year.



There are four other entities are involved in overseas marketing efforts, which coordinate with the Office of International Trade: The University of Alaska's Center for International Business in Anchorage does applied research on Alaska export trade potential and conducts export seminars.

The Alaska Industrial Development and Export Authority in Anchorage manages U.S. Export-Import Bank programs available to finance Alaska export ventures.

The Alaska International Airport System is engaged in long-range marketing efforts for Alaska's international airports in Anchorage and Fairbanks; a major part of these efforts are aimed overseas. The airport program hopes to offset the decline in international carrier refueling stops here, boosting Alaska as an air cargo transfer point, and encourage foreign tourism.

The Juneau-based Alaska Seafood Marketing Institute promotes Alaska seafood in Japan and Europe, with federal export assistance funds.

The U.S. Department of Commerce - Anchorage maintains an extensive public library, will assist with specific export projects, runs workshops on export procedures, and makes information from commercial attaches in U.S. embassies and consulates abroad available to Alaskans. (For more information on U.S. Department of Commerce, contact Dick Lenahan at 271-5041.)



Bering Sea Fisheries (cont. from pg 1)

Former State Senator Clem Tillion, who represented an Alaska-based joint-venture operator, also was cautious: Soviet General Secretary Gorbachev has given new autonomy to domestic economic organizations and has instructed them to go out and make their own foreign deals, but middle and lower-level officials aren't yet convinced Gorbachev's reforms are going to hold, and may be reluctant to "stick their necks out" in making deals.

"There could be a lot of difficulty putting these things together. We're dealing with people who don't understand what a profit is, the second generation for whom the government has bought everything and supplied everything. In trying to set up joint ventures, they'll want 51%. But we don't want to give up more than 50%, because we've got to assure our profit."

Still, Tillion thinks things eventually will come together: "They watch the

"If we're successful in getting this opening in fisheries, it will open the door to a lot of other business relationships for Alaska." Larry Cotter

Japanese fleet bring in four or five times their own catch from their own waters and they want to know why."

The Deal — Access and Competition

What the American crab fleet wants is access to the rich potential catch of king and tanner crab in Soviet waters of the Bering Sea, particularly in deeper waters beyond the capabilities of the Soviet crab fleet. Joint-venture fishing operators, with several ships based in Alaska, want access to new bottomfish supply. They are being pushed out of U.S.-controlled North Pacific and Bering Sea waters as U.S. processors take a larger share of bottomfish quotas.

What the Soviets want is new competition for the Japanese, with whom they've had Bering Sea fisheries agreements for some time, and access to advanced U.S. fishing techniques, particularly deep-sea crabbing and processing technology. Also, the Soviets see "reciprocity" in Bering Sea fishing as helping them gain access to increased hake and mackerel allocations within U.S. waters along the east and west coasts.

Mariculture - fish farming - was another priority for the Soviets, Unalaska Mayor Paul Fuhs said. Alaska has advanced knowledge of Pacific salmon hatchery techniques because of the success of state-operated and private nonprofit hatchery programs. While these are aimed at enhancing wild populations, the technology, and such knowledge as disease-control, also lends itself to salmon farming, he said.

A Year and a Half in Negotiations

The Soviet protocol took one and a half years to negotiate. The crab fleet - organized as the Alaska Crab Coalition - took the initiative in mid-1986 to get Soviet waters opened because they saw the potential for untapped fisheries resources. The U.S. Magnuson Act, which provides a framework for foreign fleets to gain fishing rights in U.S.-controlled waters, has a reciprocity clause. A foreign nation fishing in U.S. waters must grant reciprocal rights to U.S. fishermen, if they are asked. But no one had asked the Soviets for reciprocal rights before the crab fleet's initiative.

After a series of negotiations, many involving efforts by the State Department to get diverse U.S. fishing interests together, a high-ranking Soviet fisheries delegation visited Seattle in mid-1987. That meeting was crucial, says the Crab Coalition's Cotter, because the Soviets could see U.S. high-tech fishing at first hand.

Each U.S. fisheries group represented on the trip - the crab fleet, bottomfish and joint-venture operators - will hold its own follow-up meetings with Soviet fisheries officials to hammer out specific deals. Cotter is hoping for a meeting in May for the crab fleet, and an agreement that would get some U.S. boats into Soviet Bering Sea waters late this year.

Export



Financing

Two years ago, the Alaska Legislature expanded the role of the Alaska Industrial Development Authority, directing it to assist Alaska exports by acting as a coordinator for U.S. Export-Import Bank loans for Alaska firms, and helping with long-range economic development financing.

AIDEA - with "Export" added to its name - offers three export financing programs through the U.S. Export-Import Bank. Most are implemented through commercial banks, with AIDEA and the Export-Import Bank providing loan guarantees.

One program is for Working Capital Guarantees; short-term loans of from one to 12 months for firms with export orders who are unable for one reason or another to obtain lines of credit from local commercial banks. That situation could result if the export order is large, beyond the size of transaction a bank can accommodate, or if the bank has not previously dealt in export markets; if the bank will not accept foreign receivables as collateral, or if the bank has reached its legal lending limit for a customer. ExIm Bank provides the guarantee of 90% of the loan, coordinated through AIDEA.

Secondly, there is a medium and long-term guarantee program, which encourages U.S. banks to lend to foreign buyers. ExIm Bank protects the U.S. bank from default for political or commercial reasons.

A third program is for medium and long-term direct loans. This is for foreign buyers of U.S. goods, and it enables U.S. firms to compete against often-subsidized firms elsewhere. Financing can either be direct loans to a foreign buyer or an intermediary loan to banks or U.S. companies, who in turn will extend loans to foreign buyers. The loan cannot be more than 85% of the export value.

For information about export financing, call AIDEA (274-1651), or OIT (561-5585).

Alaska-Siberia Trade Potential



What can Alaska sell to the Soviets? In most ways, Alaska's close neighbor across the Bering Sea is a competitor in Pacific markets, particularly in timber products.

But an analysis prepared for the Alaska Office of International Trade by ISER and a University of Washington Far East expert points up several areas where the U.S.S.R. can also be a customer.

The region is much like Alaska, big and sparsely-populated, rich in natural resources, but short in infrastructure.

The Soviets are putting new stress on improving severe bottlenecks in industrial and transportation infrastructure in the region. There is also new emphasis on the "economy of the ocean," mining of deep-sea minerals, fish farming and more advanced fisheries development.

There has been massive investment in a Far East fishing fleet, but a severe lack of shore facilities - processing, warehouse, transportation and housing - causes much of this fishing capacity to stand idle.

There is also great interest in advanced construction technology, particularly prefabrication and modular units. Labor shortages are severe in the Soviet Far East, and development of labor-saving construction technologies are a priority.

In the short-term, fishing joint ventures and tourism are areas in which the Soviets see real gains in economic cooperation across the Bering Sea. Tourism is seen as a way to gain foreign currency. Air and cruise ship companies are looking at a Nome-Provideniya, Siberia tour. Fisheries joint ventures are seen as ways to gain access to advanced U.S. fishing technology.

Alaska's Export Trade Significant Gains in 1986 - '87

By Tim Bradner

"If you can sell glacier ice and beer from Alaska in Japan, you can sell anything there." This from a close observer of Alaska's overseas trade.

The caveat, of course, is that Alaskans can be successful if they do their business planning properly and if they team up with the right marketing connections in Japan. Wetco Alaska, an Anchorage firm now selling glacier ice as a novelty item, and Juneau's Chinook Beer, have done that successfully.

There's no doubt: Alaska's export trade to the Far East is booming, a bright spot in the state's recessed economy. Exports are up 25% in the past two years, 17% in 1987 alone. Export expansion is being driven mainly by the high value of the Japanese yen and rising values of the Korean won and New Taiwan dollar. As those currencies appreciate against the U.S. dollar, American goods are cheaper.

But other factors are also at work: There's a more competitive business environment in Alaska, as costs decline from boom years of the early 1980s, when the state's economy was fired by massive spending of state oil revenues. Also, there's new aggressiveness among Alaskan firms like Wetco and Chinook Breweries, reaching out to new customers and markets in the Pacific rim.

"Alaska businesses who until a year ago never considered marketing their services outside the state's borders have become accomplished exporters. Asian importers who in the past never considered Alaska a viable supplier," are now very interested in the state, says Dan Dixon, who headed the state's international Trade Office until February.

The picture is not all rosy, though. New long-range passenger jet aircraft make it more economic for some air carriers to bypass Alaska as a refueling stop; that could impair efforts to market fresh fish and encourage foreign tourism. Also, fresh Norwegian pen-raised salmon are formidable new competition to fresh-frozen Alaska salmon in Japanese markets.

Those Stronger Asian Currencies

The currency situation isn't likely to change soon. That's the assessment of the heads of Alaska's two overseas offices. Kaz Hayashi from Tokyo and Kyung Sun Yang from Seoul were in Alaska recently for meetings with government leaders and Alaska businessmen.

Mr. Hayashi, from Tokyo, sees no major change soon in the dollar/yen ratio, or in improving markets for Alaska timber, seafood or other products in Japan. Japan's loosening of its domestic economy and new emphasis on housing - Japanese home construction is improving after a long slump - has created an export boom for Alaska logs and dimensional lumber. Southeast Alaska's three major sawmills are working at maximum capacity; new sawmills are planned in Ketchikan and Seward, and another will reopen in Klawock.

Korea also has interest in Alaska timber. Mr. Yang, of Alaska's Seoul office, is working with a company there interested in investing in an Alaska mill project.

Mr. Hayashi, a forest products expert with many years of experience in Alaska-Far East timber trade, sees a worldwide shortage developing in hardwood chips. In the Pacific, supplies from traditional sources in Southeast Asia are being reduced, and Japan is now importing chips from Chile. Alaska is closer. If supply from Alaska's mature birch forests could be made available, there might be real opportunity, he thinks.

Politics Boosts Alaska's Trade

Politics also plays a role in boosting Alaska's foreign sales. Heavy pressure from the U.S. government is on Japan, Korea and Taiwan to ease huge balance of trade imbalances. An easy way to do that is to buy more of what those countries currently import, particularly commodities. This puts Alaska in a good position because of the state's longstanding trade relationships in the Far East.

An example: South Korea's Korea Electric Power Company, the customer for Usibelli Coal Mine and Suncel Alaska's export sales, has cut purchases of coal from Australia and Canada, Alaska's competitors in coal, by 40%. But KEPSCO has cut Alaska purchases only 20%, even though Alaska's coal has a high moisture content and low heat value. Mr. Yang, from Alaska's South Korean office, sees no major change in KEPSCO's purchases, in the near future. (continued on next page)



Politics particularly affects trade in fish. The value of Alaska fish exports is rising now because of the strong yen. But with Japan now excluded from fishing in U.S.-controlled waters of the Bering Sea and North Pacific, Japanese companies are interested in investing in onshore plants and buying fish from Alaskans, in a long-range plan aimed at guaranteeing secure supply amid more international competition for the North Pacific fisheries resources.

Other international markets are also opening: With a shortage of whitefish stocks in the Atlantic, Europeans are looking to the Pacific. Alaskan firms are studying shipment of fresh fish by air over the pole.

Fundamental Changes in Asian Economies

The main engine of Alaska's export trade is the Far East, where a number of fundamental economic changes have made the Pacific the world's major trading arena.

Japan's economy, while still only a third the size of the U.S., has matured to the point where Japanese standards of living are approaching, if not reached parity, with those in the U.S. More significantly for Alaska: With its high yen and stagnant markets for now-expensive Japanese exports, Japan is rapidly transforming its economy to one driven primarily by internal demand than by external export sales. The success of that transformation is taking even Japanese by surprise.

The government's reflation policy, easy credit, lower import prices due to the strong yen and the 'wealth' effect of the real estate and stock market booms, are combining to release pent-up Japanese consumer demand.

This is important because newly-affluent Japanese will demand more imports. Alaska is in a key position to benefit from these trends. One factor in Mitsui's plans for a ski resort near Anchorage, for example, is that it may be as cheap for a Japanese couple to buy a ski vacation in Alaska as in northern Japan, even considering the distance. And, Alaska is two hours' flying time closer than any other North American destination.

South Korea's domestic economy is growing fast. While nowhere near the prosperity levels of Japan, Koreans are more affluent than ever before. With a large trade imbalance with the U.S., Korea is looking to import more in commodities from Alaska, including timber and fish. Tourism, on a small scale, is not out of the question.

Major changes are taking place through the entire Pacific region. The export growth model pioneered by Japan, then copied by Korea, Taiwan, Hong Kong and Singapore, is now being duplicated in Malaysia and Thailand. Heavily populated Indonesia, anxious to diversify its economy away from oil and agriculture, is in the early stages of export-targeted industrialization. As wages rise in the first group of Asian exporters, labor-intensive industries move to nearby nations with lower wage costs. Alternatively, domestic industries in those countries begin successfully competing.

Meanwhile, as labor skills improve, people become better educated and financial resources accumulate, Korea, Taiwan, Singapore are shifting their economies upward into more sophisticated, advanced capital-intensive manufacturing. Japan may be now entering an advanced, almost 'post-industrial' phase of development, led by high-tech industries, services and finance, with its remaining manufacturing kept alive by internal demand.

Meanwhile, the "awakening giant" of the region may be China, as it continues gradual improvement of its industry and agriculture and begins to open its immense population to foreign trade. Alaskans are working now to "position" themselves properly as China opens up. Alaska timber firms are now exporting logs to China, and trade missions have initiated a number of contacts, particularly in the northern province of Heilongjiang.

The uplifting of Asian economies to more sophisticated technologies and domestic prosperity, will have profound effects on the world. For a commodity-exporting region like Alaska, it means a steady, rising demand for Alaska's main exports and rich potential for new business ventures. This assumes Alaska can remain competitive. Many of those same commodities can be supplied from other, competing regions of the Pacific. *

Tim Bradner is Editor of the Alaska Economic Report.

Alaska Exports On The Rise



Exports from Alaska to other nations in 1987 exceeded \$1.56 billion, up 20.6% from 1986 and 25% over 1985, according to U.S. Department of Commerce figures. According to a national formula developed by the Commerce Department, Alaska's export industries - mainly fish, forest products, urea and natural gas - provided as many as 30,000 jobs in the state. Increased 1987 exports may have added as many as 4,000 jobs.

Exports to Japan, Alaska's main trading partner, were up 17.8% to \$1.27 billion; Korea was up 11% to \$156 million. Seafood and other marine products was the major export item, increasing 37% in 1987 to \$574.6 million, most of it to Japan. Wood product exports reached \$255 million, up from \$170.6 million in 1986; pulp exports were \$131 million, up from \$89 million the year before. Ask Information Search, a research firm, compiled these figures.

Good News



Alaska Team Marine Corporation President Daniel T. Zantek recently signed on as one of 13 agents in the world for Hyundai Mipo dock yards. Zantek noted, "two years ago, I sought out international ship repair firms. I contacted Mr. Yang of the Alaska Seoul office. He helped get bids/figures and specifications from Korean ship repair yards. Mr. Yang was a crucial element in my becoming a Hyundai agent." Zantek, known to Alaskans as "Polka Dan", is based in Anchorage.



Trade Lead Bulletin

Trade Leads

JAPAN



AMITA Corporation
Mr. Tadashi Nakanishi, Import Asst.
General Manager
Kyoto Handicraft Center
Kumano Jinja Higashi, Sakyo-ku,
Kyoto, Japan 606
Telephone 075 (761) 0141
Fax 075 (751) 2404

Seeking to import jewelry, textile goods, general merchandise. Amita is a Kyoto-based company, with more than 40 years in the import business.

NISSHIN International

Mr. Yoshiro Okamura
Tsukiji Mikasa Bldg. 8F. 2-10-4 Tsukiji,
Chuo-ku, Tokyo, Japan
Telephone 03-542-3628
Fax 03-545-9525

Seeking to import cured salmon eggs. Firm established in 1976; 10 employees; annual sales are 4.5-5.0 billion yen per year; reference bank: Mitsui Bank, LTD. Contact Dick Lenahan, 271-5041.

Yamaha Motor Co.

Mr. Kenji Tomita
Youei Ginza Bldg. 4f, 8-8-5 Ginza
Chuo-ku, Tokyo 104
Telephone 03-572-2075
Fax 03-572-8137

Firm is seeking to import fresh king salmon and live/frozen crabs. Firm established in 1955 and has 12,000 employees. Annual sales are approx. 380 billion Yen. Reference banks are FUJI Bank and DAIICHI Kangyo Bank. Contact Dick Lenahan, 271-5041.

Japan Transfer Systems

Mr. T. Mori
Dairoku Shinko Bldg. #702
2-15, Higashi Tenma 2-Chome
Kita-Ku, Osaka, Japan 530
Telephone 06-352-5101
Fax 06-352-5524
New company seeking U.S. products: wall posters, toys, t-shirts, christmas wares. Contact Dick Lenahan, 271-5041.

Greenwood Trading Corporation

Katoh Bldg. 3f, 2-3-5 Tsukiji
Chuo-ku, Tokyo 104
Mr. K. Okabe, President
Telephone 03-544-0775
Fax 03-545-1120
Seeking to import salmon. Firm established in 1986 with 5 employees. Annual sales are 600 million Yen (129/ Yen to \$1). Reference banks: Kyowa Bank and Mitsui Bank. Contact Dick Lenahan, 271-5041.

Japanese company seeking reindeer antler supplier for use in health food industry. Contact Mary Fleming (OIT) 561-2079.

Koei Boeki

Kojimachi Eki Plaza
301-5 2-Bancho
Chiyoda-ku, Tokyo
Telephone 03-262-8101
Fax 03-262-8103

Seeking to import fish by-products: white and brown fish meal, trawl fish meal, fish paste and fish powder. Firm established in 1984, employes 8. 1986 sales: 1 billion yen (129 Y/\$1) Reference banks: Daiichi Kangyo Bank, Ltd. Contact Dick Lenahan, 271-5041.

EPISTAT

Mr. Gordon Hocking
Akasaka Murai Bldg. 9F
7-3 Akasaka 1-chome
Minato-ku, Tokyo 107
Telephone 03-582-5503
Fax 03-582-5604

Japanese broker seeking supplier of sand and gravel. Gravel should be 10-25 mm in size; sand greater than 5mm. For more information, contact Mary Fleming (OIT) 561-2079.

NT Frontier Road Co.

Mr. Eiji Yamamoto
6f Ikeda Dai-ichi Bldg.
11-4 Yotsuya 3-chome
Shinjuku-ku, Tokyo 160
Telephone 03-351-2225
Fax 03-351-2203

Firm seeking possibility of licensing Alaskan ice cream company's recipe. Call Mary Fleming (OIT) 561-2079.

IWATE

A Tokyo, Japan firm seeking to purchase Alaska fur garments. Contact Mary Fleming (OIT) 561-2079.

KOREA



Jin-young Co. (Seoul, Korea)

a Korean textile company, is interested in developing a joint venture or a 100% capital investment surimi plant in Alaska. For more information contact Steve Roberts (OIT) 561-5585.



New Foreign Investment (cont. from pg 1)

Both projects are significant: Alaska will be Mitsui's first investment in a ski project, although the company has had timber and fisheries involvement here for years. Wishbone Hill will see the first equity investment by a Japanese company in an Alaska coal project, or the first Japanese involvement in Alaska coal of any kind.

Current coal exports involve sales by Alaskan companies - Usibelli and Suneel Alaska - to a customer at the port, South Korea's Korea Electric Power Co. In some ways, an equity investment has advantages for Alaska.

When there is a short-term market downturn, an investor who is also the major customer, is less likely to go hunting for cheaper bargains elsewhere in the Pacific. Coal and forest products are both plentifully available elsewhere.

What's also significant about Idemitsu's plan is that it will involve sales of Alaska coal directly to industrial companies for their own use, rather than as steam coal to big electric utilities, which is the primary market for the Usibelli Mine and, someday, the Beluga project proposed by Diamond Alaska Coal Co. Thus, Idemitsu

has opened a new market 'niche' for Alaska coal.

Mitsui's lease calls for a working ski project in five years and submission of a plan for its large resort within five years. There are also several development 'benchmarks' to be met before five years are up.

The Mitsui project demonstrates how the Office of International Trade can help facilitate foreign investment. Mitsui had actually been looking at British Columbia to develop a resort, but became interested in Alaska when the company saw information on the state's Hatcher Pass recreation and sk-

development plan, provided by the state's Tokyo office.



EXPORTER OF THE YEAR: SEA HAWK SEAFOODS



Governor Cowper presents "Exporter of Year Award" to Seahawk Seafoods owners Sandra and Ray Cesarini

Governor Steve Cowper tapped Sea Hawk Seafoods for the "Alaskan Exporter of the Year" award March 31 in Anchorage at the annual banquet sponsored jointly by the Governor's Office of International Trade and the U.S. Department of Commerce's Export Council of Alaska.

The Valdez seafood company bested a field of 11 nominees for the award. Citing the firm's innovation, Governor Cowper said, "This company represents the kind of thinking and enter-

prise that is changing the direction of Alaska's economy, creating stability through diversification."

Sandra and Ray Cesarini founded Sea Hawk Seafoods in 1980. The firm's export strategy marked a dramatic shift towards foreign sales. In 1984, income from foreign sales totaled only 18% of Sea Hawk's gross sales. By 1987, the company's foreign sales income reached 83%, tripling total company sales. Two-thirds of Sea Hawk's outside sales went to Japan (65%), 11% to Europe and 8% to Canada.

Sea Hawk employs 30 to 40 Alaskans year-round and has a seasonal work force of over 350. The company's total annual payroll exceeds \$2 million.

The other top Alaskan exporters nominated included:

Alaska Pulp Company, of Sitka, Chinook Alaskan Brewery of Juneau, Harbor Enterprises of Seward, Vancor Forest Management Inc. of Anchorage, Sealaska Corp. of Juneau, Seley Corporation of Ketchikan, Silver Lining Seafoods of Ketchikan, Suneel Alaska Corp. of Seward, Usibelli Coal Co. of Healy, and Wetco Inc. of Anchorage.

The Tokyo office handled initial communications between Mitsui and the Department of Natural Resources; when Mitsui's planning teams arrived in Alaska, the Anchorage OIT office helped the company through important procedural steps, also assisting DNR with translators in checking out required financial references in Japan for Mitsui and its partners in the project. Mitsui then received its leases in an uncontested public auction.

Wishbone Hill offers a different example. Here an Alaskan firm, Hawley Resources of Anchorage, was successfully put together with an overseas partner. The Tokyo office discovered Idemitsu was in the process of switching from oil to coal for its industrial plants, and building a large coal-unloading facility near Tokyo.

When the office inquired whether Idemitsu might be interested in Alaskan coal, the first response was negative, since Idemitsu was developing a coal mine in Australia. But Idemitsu then identified additional needs, for one million tons/yearly beginning in 1991, and agreed to look seriously at Alaska. The Tokyo office contacted Hawley, telling them of Idemitsu's interest. Hawley later sold his share of the mine to Union Pacific, remaining as a consultant to the project.

OIT / ASCC Symposium

"A Closer Look at
Alaska-Siberia Relations
Past, Present and Future"
April 23- 10-3:00

Anchorage Northern Lights Inn
Featuring Chief Soviet
Spokesperson Gennadi Gerasimov
Call 561-5585 to register (\$30 fee)

OIT-SAPPORO TRADE SHOW REPORT

Eight Alaska businesses participated in the OIT sponsored booth at the Sapporo Trade Show in February. Over 17,000 Japanese consumers and business people attended the fair and 2,100 brochures describing Alaska businesses and cities were distributed. The Alaska businesses included: Chinook Alaskan Amber Beer, Alaska Log Specialties, WETCO, Alaska Adventure Book, Heil Brothers, Fort Yukon Fur Cooperative, Taku Smokeries and Alaska Seafood Company.

Alaska participants continue to field inquiries about exporting their products from Alaska to Japan. One company, Douglas based Chinook Alaskan Amber Beer, increased sales substantially in the Japanese market due to product exposure at the Sapporo Trade Show. Chinook representatives noted that the Sapporo show exposure increased orders fivefold and has caused a stir in the Japanese marketplace. Chinook has begun monthly beer shipments to Japan. •

**PUBLICATIONS**

Focusing on International Trade
Alaska-Japan Trade Analysis
Alaska-Korea Trade Analysis
Alaska-Taiwan Trade Analysis
1987/88 Alaska Trade Directory
1987 OIT Annual Report
OIT/ISER: Alaska-Siberia Trade
Call: 561-5585 for copies

INTERNATIONAL TRADE SHOWS

The Office of International Trade continually receives information on a variety of international trade shows and events. OIT focuses on the Pacific Rim nations and increasingly, on European shows. The following is the most recent information received. For information, please contact Ginna Brelsford, OIT at 561-5585.

**AUSTRALIA**

1. State of Alaska, "Partners in Pacific Trade" exhibit at Expo '88 in Brisbane, Australia, April 30-October 30. Sponsored by the Alaska State Chamber of Commerce, the Alaska Department of Commerce and Economic Development.

**JAPAN**

1. State Tokyo office to participate in Junior Chamber of Commerce event, "Japan-US Forum for the 21st Century - the impact of economic and industrial relations on small businesses and local industries," May 22-23 at Nagoya Castle Hotel.
2. Food Marketing Show '88: August 30-September 1, 1988. Tokyo International Trade Center Fair Grounds. 20,000 expected to attend the show organized by Nihon Keizai Shimbun, Inc. Japan's prestigious economic newspaper.
3. World Food Festival JUNO'S JAPAN '88 — festival held from June 3-October 10, 1988 at Tsukisamu Center IMAX pavillion in Sapporo, Hokkaido. The international festival focuses on Northern Regions of the world and food.

**KOREA**

1. U.S. Commerce sponsored: Super Korea Catalog Traveling Exhibition. Contact Elizabeth Ausberry at 202-377-3973. April 29 deadline.
2. KORFOOD'88 — Korea International Food Technology Exhibition, May 27-31 in KOEX, Seoul, Korea. Organized by the Korea Trade Promotion Corporation and sponsored by the Ministry of Trade and Industry and the Ministry of Health and Social Affairs.
3. Korea World Travel Fair — June 9-June 13, 1988 in Seoul, Korea. The fair is designed to take advantage of preparation for the Olympics to be held in July in Seoul. All Alaskan tourism related companies interested in marketing Alaska as a destination spot are encouraged to participate. It is expected that current limitations on Koreans' travel will be lifted in late 1988.
4. Seoul International Trade Fair '88 — October 20-21, 1988 designed to foster international trade and industrial technology. Organized by the Korea Trade Promotion Corporation (KOTRA) and sponsored by the Ministry of Trade and Industry, Republic of Korea. Venue: Korea Exhibition Center, Seoul, Korea. Exhibitors: manufacturers, traders, sales representatives, agents, associations, public organizations, governments.

**TAIWAN**

1. Taipei International Hardware and Building Material Show, May 21-25, 1988 at the World Trade Center in Taipei. Exhibits: building materials ranging from roofing materials to floor coverings.
2. Computex Taipei — June 6-12, 1988, at the World Trade Center in Taipei. Exhibits: computer systems, mini/micro computers, personal computers, software services.

**SOVIET UNION**

1. Stroydormash '88 Construction/Road building equipment fair in Moscow. Sponsored by U.S. Commerce. May 25-June 3, 1988. Contact L. Helmowitz, U.S. Commerce at 202-377-0558.

Alaska's international trade ties expected to strengthen in 1991

By IMRE NEMETH

TIMES BUSINESS WRITER

Despite the USSR's political uncertainty, Mark Butler and Yuri Ostrovsky plan to open up a satellite office of their Anchorage-based trading and communications company in the Soviet Union's far eastern city of Khabarovsk.

Their pioneering spirit could land their company, Soviet Services Inc., in the midst of the first major business deals between corporate powers, said a former state trade director.

Large corporations will invariably be attracted in droves to the cheap labor and resources in the Soviet Far East, said Bob Poe, who up until a month ago

headed up the Office of International Trade. Poe is now in the midst of lining up deals involving Pacific Rim buyers and U.S.-based sellers.

"In America, the only people with experience in the Soviet far east are in Alaska," he said.

Driven by the opening of the Soviet Union and eastern European countries, Alaska's international connection grew stronger in 1990. And analysts say the bond will strengthen through 1991.

Citing the debut of the Federal Express package sorting facility at the Anchorage International Airport, Bill Aberle said exports of miscellaneous goods through the state increased by a whop-

ping 570 percent in 1990. Aberle is an international trade specialist with the Alaska Center for International Business.

"You can only keep growing at more than 500 percent for so long but because of the new UPS facility, we should see a similar gain for miscellaneous goods in 1991," he said.

United Parcel Service won a cargo route to Japan last fall and plans to open a second package transfer facility in Anchorage this year.

While the final figures are not complete, Alaska's exports should amount to \$3.5 billion for 1990, Aberle said.

"We're running over 30 per-
See Trade, page C4

Anchorage Times 1/20/91

Trade

Continued from page C1

cent above last year," he said.

Minerals, air freight and fisheries products contributed to the gain.

The Red Dog zinc mine north of Kotzebue is shipping concentrates, the Valdez Creek gold mine is again active and other Interior Alaska mines are adding to export's bottom line, Aberle said.

Alaska companies are increasingly interested in their overseas neighbors.

Anchorage-based Martech USA Inc. wrapped up what company president Ben Tisdale said was "an excellent year" for the company's environmental clean-up operations in Czechoslovakia, Poland and Hungary. He said 1991 is expected to be just as good, if not better.

Martech's competitor VECO International Inc. also is expecting Eastern European dividends in 1991.

Gary Matlock, the company's manager of international marketing, said the environmental service contractor aims to translate a letter of intent from the Czechoslovakian government for a hazardous waste incineration



Mark Butler
... plans Soviet Union office

project into a bona fide contract in the first quarter of 1991.

VECO is also pursuing major oil companies' forays into the Soviet Union and intends to use its oil-service component in Siberian development, he said.

Although the initial "Russian fever" over Siberian business ties has subsided, interest remains high with the South Koreans, Taiwanese, the Mainland Chinese and the Japanese, the state's die-hard trading partners.

"All of the Pacific Rim coun-

tries are wide open," said Bill Price, president of Price-Chen International. World trade right now is just astronomical."

Price said Alaska has the supplies, equipment and manpower to aggressively approach the international market. He said the 1990s will provide an unparalleled opportunity for those Alaskans able to interpret how to decode the problems associated with multinational deals.

"I just signed a \$20 million contract with the people in the Peoples Republic of China," he said Wednesday. The deal is associated with grain. Price said China and the United States have a big surplus this year while the rest of the world is experiencing record demand.

Ralph Strong, president of Haines-based Klukwan Inc., said his corporation expects to continue exporting \$80 million worth of timber in 1991. However, January marks the first shipment of logs to Mainland China and a similar return shipment of textiles and other goods from government-run businesses based there, he said.

"If we are successful in all items, 1991 should be a good year for Klukwan's subsidiary, North Pacific Expediting," he said.

The initial orders are small and the deals took nearly four years to materialize but Strong said he is confident the import

export business will replace the export of logs in revenue generation for his Native village corporation.

Butler said his beginnings in the Soviet Far East are admittedly modest. However, he expects the spring commencement of regular service flights by Alaska Airlines and Aeroflot to boost business for his company, Soviet Services Inc.

"The four things inhibiting trade with the Soviet Union are understanding, communications, transportation and logistics," said Butler, a marketing specialist and former airport official. "Our company covers logistics, understanding and, to some extent, communications with our telex. But the airlines solve two out of the four."

Secondary business will follow as a result of the air links, he said.

"A lot of that funnels through Anchorage," he said. Alaska entrepreneurs will have the edge for at least the next two years, he said.

Itoh, a Japanese corporation, and Exxon Corp. signed an agreement recently to conduct a joint oil field development worth \$1.5 billion near the Soviet island of Sakhalin. Weyerhaeuser Company is near a deal with seven collectives in the Soviet Far East in a big timber deal.

Butler said both companies

will need assistance. He said his company will be able to supply all their needs in the USSR.

Trade consultant Poe said another avenue for new business concerns access to the goods already passing through Anchorage on the Federal Express and UPS cargo jets.

Aberle at the Alaska Center for International Business agreed. He said he expects a parts "bank" or warehouse of supplies in Anchorage to be built making use of the city's foreign trade zone. The parts bank would support the various worldwide operations of individual companies and act as a global warehouse for other companies.

"I'm not going to say this will happen next year but maybe in the next few," he said.

A private customs clearing house set up shop in Anchorage near the airport to deal with all the new large volumes of overseas freight unloaded from Federal Express and UPS jets. Poe said this service could spawn any number of other businesses.

"I think the transportation business will be really important," he said. "Lots of things are going through Alaska that weren't here before."

Poe said he began looking at what goods are on those cargo planes going through Anchorage. He said he came up with all sorts of crazy ideas.