

State of Alaska Office of the Governor 2006 Exports



Sarah Palin, Governor
Kris Perry, Director of International Trade

Cover Photos

Front: Poker Flats Mine as viewed from current operations in Usibelli Coal Mine's Two Bull Ridge Mine. Usibelli Coal Mine, Inc. completed more than 25 years of mining operations in Poker Flats in 2003. Various stages of reclamation are visible on the reclaimed terrain. Usibelli has exported coal from Alaska since 1985. Chris Arend photo courtesy of Usibelli Coal Mine.

Back: Governor Sarah Palin's video message was broadcast throughout the day to participants of a forest products conference in Putian, Fujian Province, China. Sealaska Timber Corporation introduced the Governor's video message during the event. Photo courtesy of Yingdi Wang.

U.S. Consul General in Vladivostok, John Mark Pommersheim, visited Alaska to speak about U.S.-Russia relations and to meet with state and local officials in both Anchorage and Juneau. During his visit, he talked with young Alaskans in the Anchorage School District's Russian Immersion Program at Turnagain Elementary School. Photo courtesy of Elena Farkas.

Pogo Gold Mine is an example of the importance of foreign investment to Alaska's economy: Sumitomo Corporation, Sumitomo Metal Mining Corporation, and Teck Cominco have invested in the development. The first feed was introduced to Pogo's mill in January 2006, marking the culmination of an 11-year process from discovery, data gathering, permitting, design and construction to production. Photo courtesy of Sumitomo Metal Mining Corporation.



July 2007

Welcome,

Alaskans have been first-rate at international trade for decades. To our friends in international markets, thank you for your friendship and trade. Alaska welcomes your business and investment.

We have renewed the energy of Alaska—it's not just from our abundant natural resources, it's from Alaskans. We see it in our cities, our communities, and in state government. We are bringing that clear and sustained energy to international trade as well.

International trade is important to Alaska. Our exports grew more than 12 percent last year, and, for the first time, our annual exports topped \$4 billion in 2006. We are helping our economy and economies around the world through trade.

In all our efforts, we will keep Alaska residents first. We will help Alaska businesses succeed in their key international markets. We will improve Alaska's positive international relations with our key trading partners. We will help open new doors. And we will avoid costly duplication of efforts by cooperating with important and established Alaska industry associations.

Education helps trade, too. International courses and programs at our schools and universities help us excel in international markets. We must further prepare Alaska and Alaskans for international investment and trade opportunities by encouraging education that includes strong workforce development and job training for our high-wage energy and mining industries. Those industries are critical to economic development in rural Alaska and are an important part of our international trade picture.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Palin".

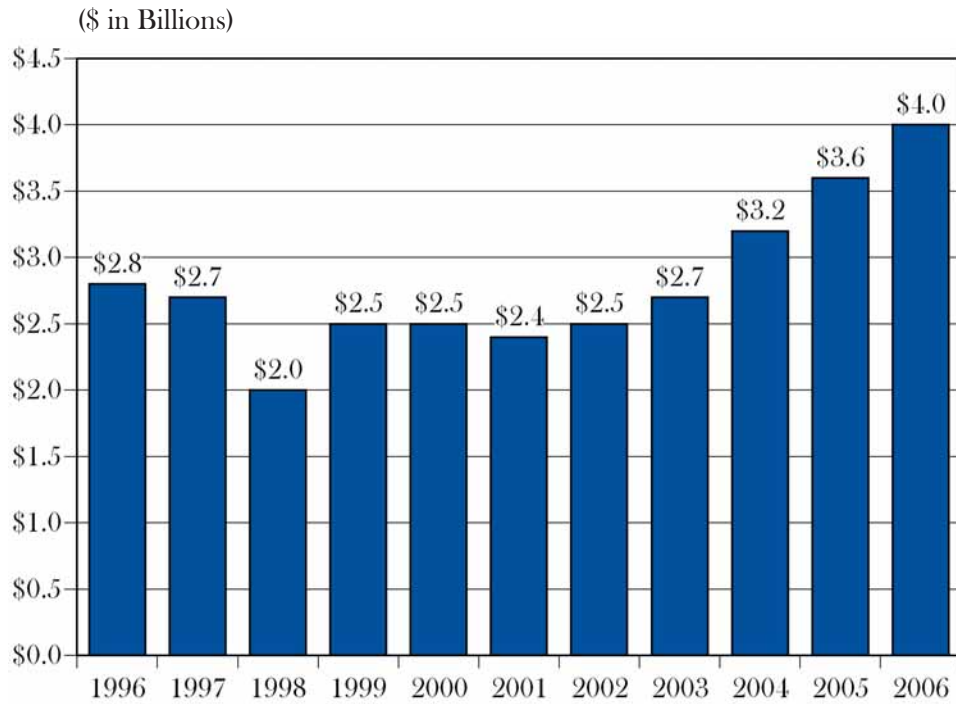
Sarah Palin
Governor

Alaska's Top Export Partners

Rank		U.S. Dollars			% Change 2006/2005
		2004	2005	2006	
1	Japan	1,189,666,446	1,180,644,227	1,095,869,530	(7.18)
2	Republic of Korea	579,610,263	683,537,334	725,681,530	6.17
3	China	241,501,571	337,214,518	474,279,855	40.65
4	Canada	246,566,510	221,523,947	444,904,161	100.84
5	Germany	146,530,789	180,080,321	241,527,683	34.12
6	Spain	69,978,834	71,446,569	143,748,487	101.2
7	Mexico	107,664,717	165,705,611	128,983,380	(22.16)
8	Netherlands	92,385,427	114,298,057	124,533,651	8.96
9	Switzerland	92,647,515	103,405,853	115,152,768	11.36
10	Belgium	52,826,636	38,347,651	94,202,870	145.65
12	Hong Kong	28,369,089	48,624,140	60,760,719	24.96
13	Australia	22,828,782	32,554,389	52,096,853	60.03
14	Portugal	30,951,719	35,521,577	43,474,803	22.39
15	Finland	19,410,700	21,566,824	38,747,835	79.66
16	United Kingdom	11,689,869	20,893,372	36,753,469	75.91
17	France	38,565,560	33,844,512	29,102,692	(14.01)
18	Italy	2,454,652	27,311,169	24,722,560	(9.48)
19	Chile	12,325,486	18,657,998	23,175,117	24.21
20	Norway	31,563,926	25,189,248	22,035,938	(12.52)
	Other	139,372,119	231,514,839	124,657,581	(39.81)
	World	3,156,910,610	3,591,882,156	4,044,411,482	12.6

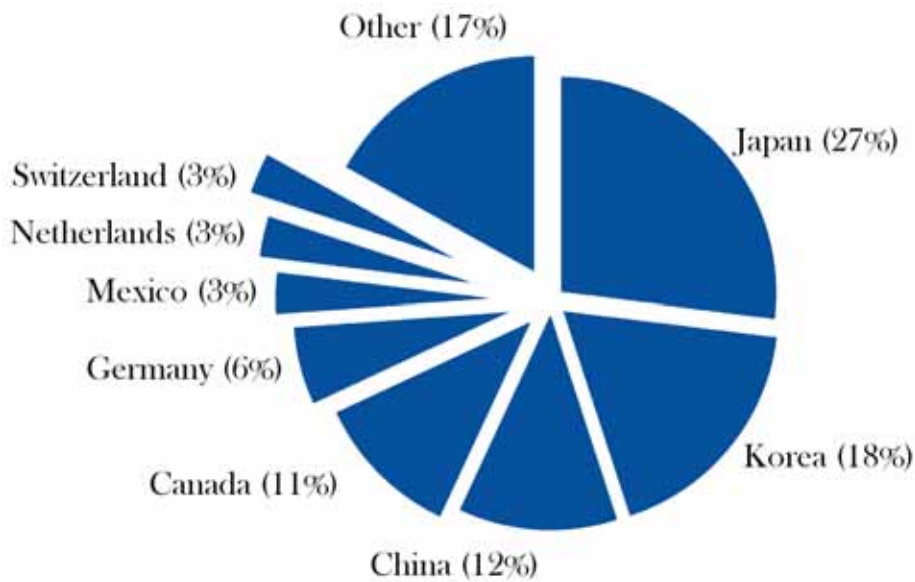
Source: U.S. Census Bureau, Origin of Movement Series

Alaska's Total Export



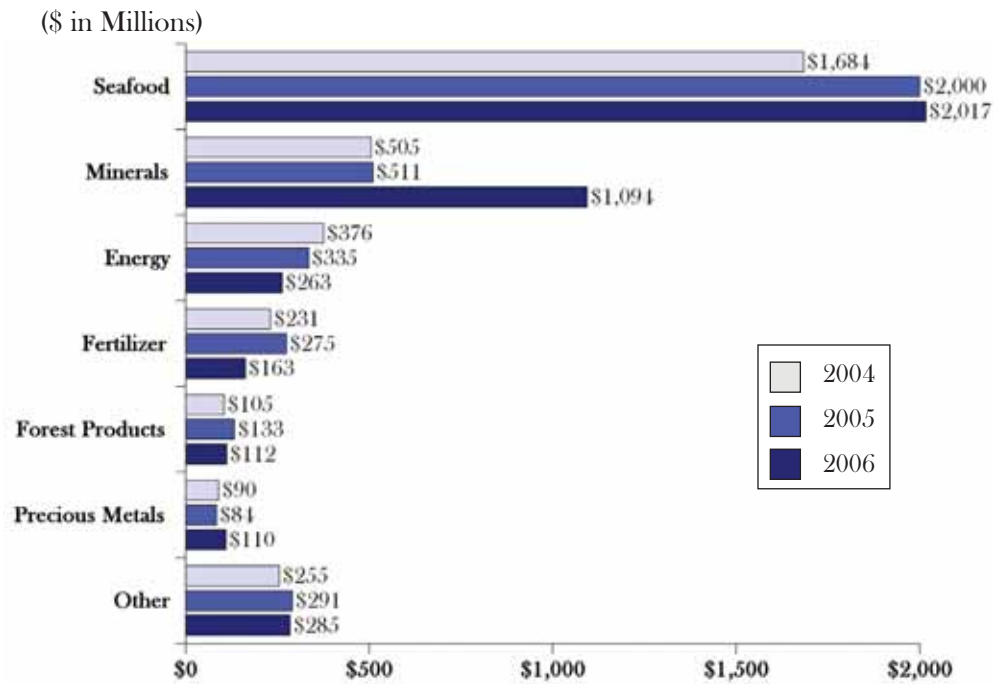
Source: U.S. Census Bureau, Origin of Movement Series

Alaska's Export Destinations 2006



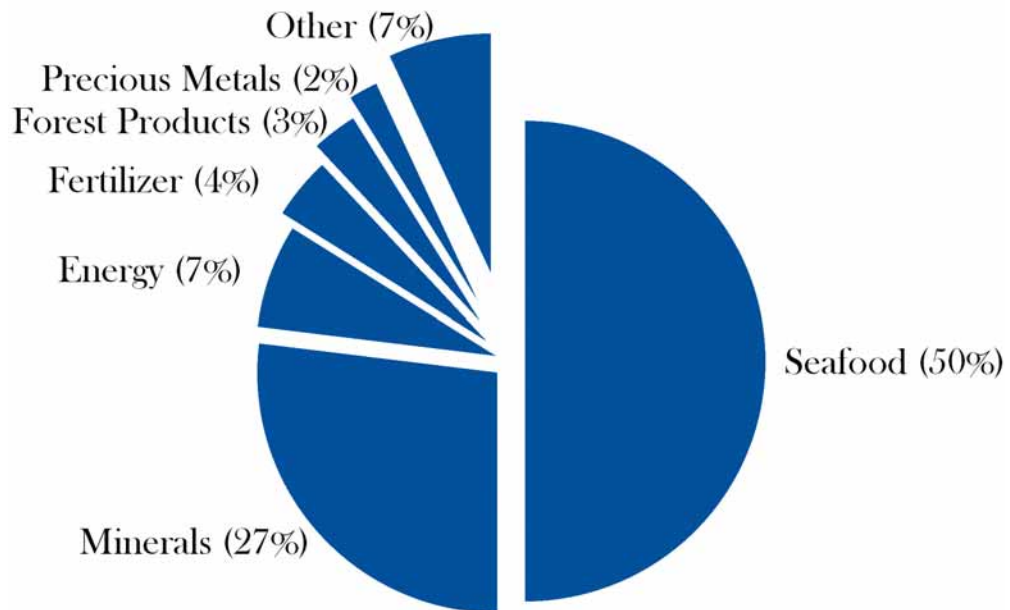
Source: U.S. Census Bureau, Origin of Movement Series

Alaska's Major Export Products



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

Alaska's Major Export Products 2006

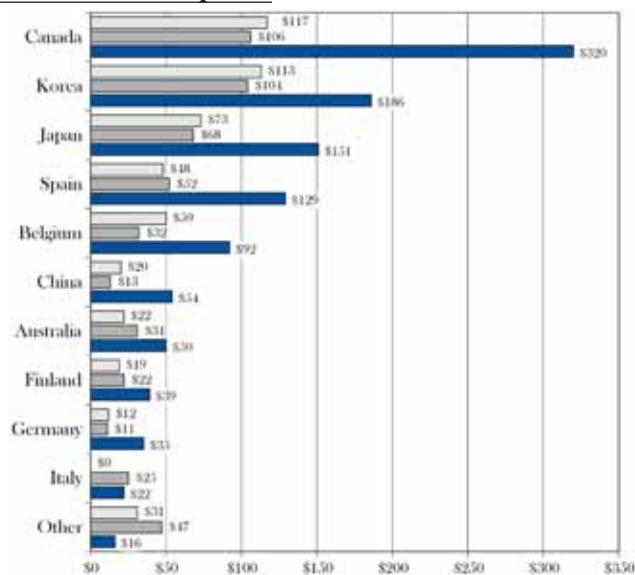


Source: U.S. Census Bureau, Origin of Movement Series

Seafood Export

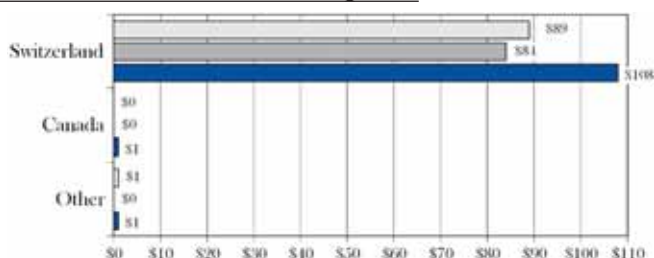


Minerals Export

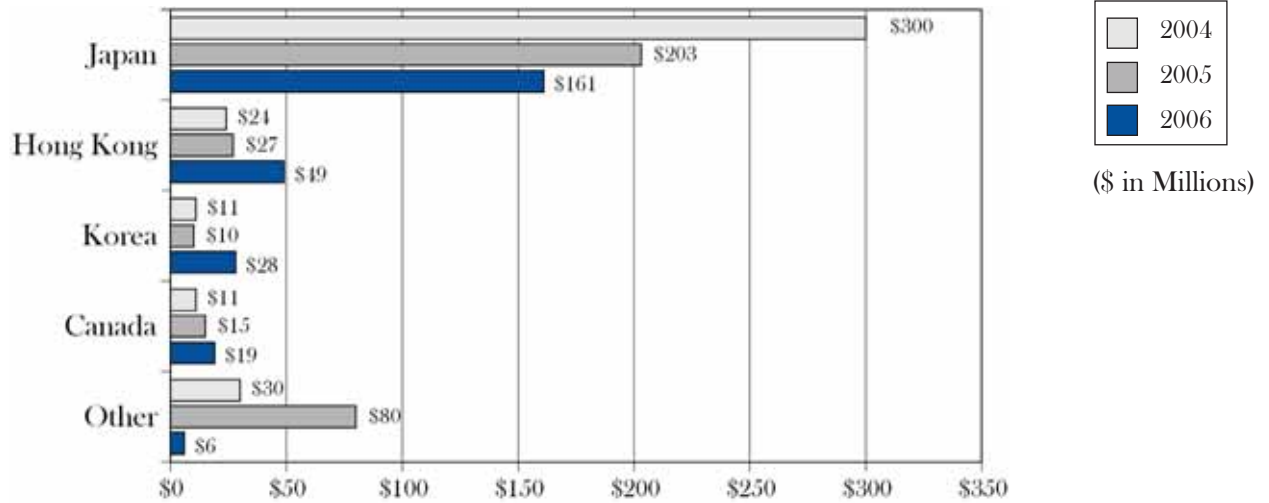


The Red Dog Mine is the world's largest zinc mine and is located in the DeLong Mountains of the western Brooks Range, approximately 90 miles north of Kotzebue, and 55 miles from the Chukchi Sea. Development of the Red Dog Mine is a joint venture between the mine owner, Northwest Alaska Native Association Regional Corporation; Teck Cominco, a Canadian mining company; and — for road and port infrastructure — the Alaska Industrial Development and Export Authority.

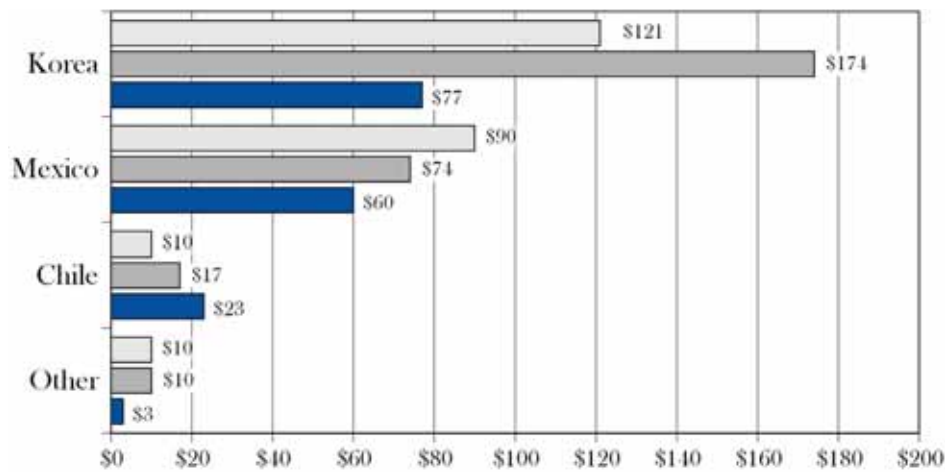
Precious Metals Export



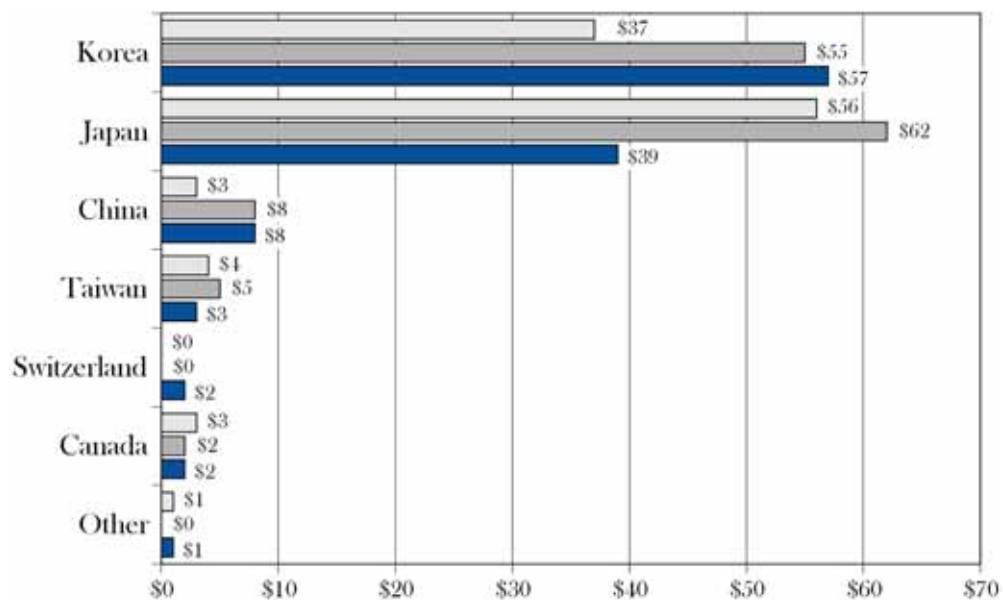
Energy Export



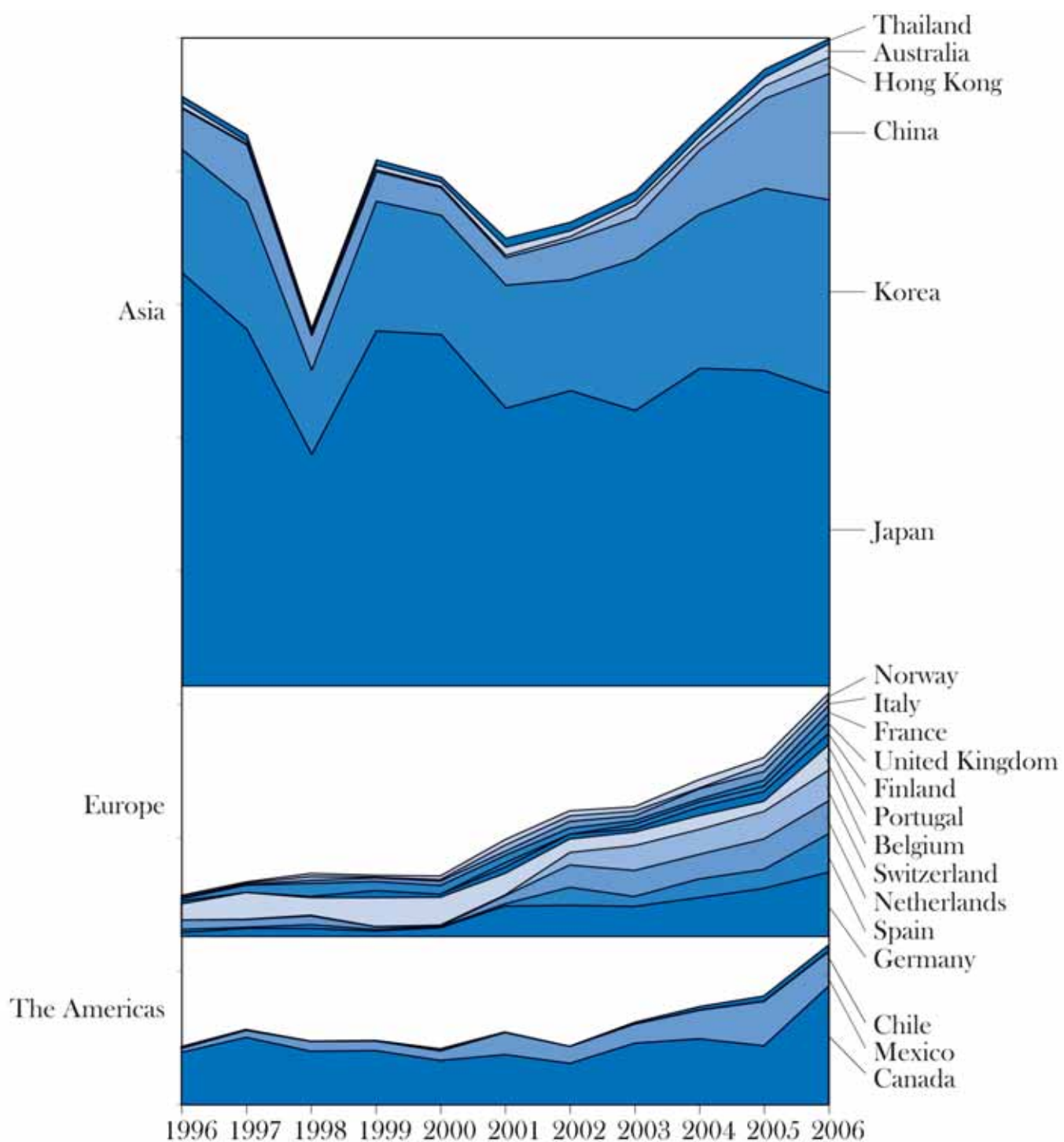
Fertilizer Export



Forest Products Export



Alaska Top Export Partners



Japan

Alaska's \$1.1 billion in exports to Japan in 2006 decreased a little more than 7 percent but still accounted for 27 percent of total state exports. Close business ties and foreign direct investment by Japan in Alaska have contributed to Alaska's development of its natural resources over the past five-plus decades. Japan is Alaska's largest export market and the United States' fourth-largest trading partner.

Japan is currently sustaining the longest economic recovery in many years, a slow and steady growth in GDP, as employment and domestic consumption both rise. The country's annual rate of growth for 2007 and 2008 is projected at around 2 percent.

Alaska's seafood exports to Japan were \$725 million in 2006, down from \$826 million in 2005 but above the trend in the recent 10-year period.

A significant factor affecting Alaska's seafood exports to Japan is continued rising demand from other markets in Europe and the United States. 2006 was the first year that Alaska exported fewer salmon to Japan than to Europe. The seafood reprocessing activity in labor markets elsewhere in Asia is also playing a role in competing with Japan for seafood product.

Although not a major emphasis in Japan yet, a growing awareness of the value of natural and organic products is slowly finding its way into the Japanese market, preparing consumers to develop a preference for wild seafood. With the help of funding from USDA's Market Access Program, the Alaska Seafood Marketing Institute promotes Alaska seafood in Japan. For a copy of the USDA Foreign Agricultural Service's "Japan Fishery Products Annual Report 2006," please see <http://www.fas.usda.gov/gainfiles/200610/146249162.pdf>

Alaska's exports of LNG from the Kenai Peninsula facility were \$161 million for 2006. The LNG loading facility in Nikiski and the regasification facility in Negishi, Japan pioneered LNG marine transport in 1969. Alaska LNG export to Japan has been continuous since then. The current LNG contract is for five years — 2004 through the first quarter of 2009.

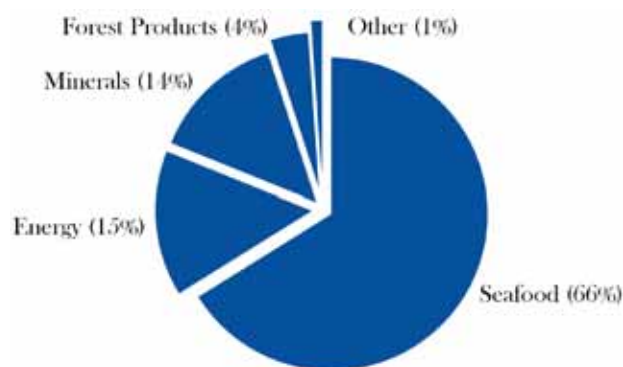
The value of Alaska's export of zinc and lead ore to Japan more than doubled in 2006 to \$151 million, compared to \$68 million in 2005. Alaska is home to the world's largest producer of zinc concentrate, Red Dog Mine. Owned and operated by Teck Cominco, under a development agreement with NANA Regional Corporation, Inc., an Alaska Native regional corporation, the mine is located in the DeLong Mountains of Alaska's Brooks Range approximately 90 miles north of Kotzebue. The Alaska Industrial Development and Export Authority helped to finance the DeLong Mountain Regional Transportation System (DMTS) road linking the mine to the port and the port itself. During the 102-day long shipping season in 2006 at the port, a record 1.4 million wet metric tons of zinc and lead concentrates were loaded onto ore ships headed for smelters in Japan and other countries around the world.

There is significant Japanese investment in Alaska's mining industry. Japan's Sumitomo Corporation and Sumitomo Metal Mining Corporation, as well as the Canadian investment by Teck Cominco, created the Pogo Gold Mine. The mill was completed in 2005 and the first feed was introduced to the mill in January 2006, marking the culmination of an 11-year process of discovery, data gathering, permitting, design, construction and production.

Alaska's Exports to Japan
Yearly Totals • In Billions



Alaska's Exports to Japan 2006



Japan

continued —

Japan continues to monitor mineral resource development and opportunities around the world as the needs of their electronics, automotive and steel industries grow. The country is nearly 100 percent dependent on imported minerals. In 2006 the state's international trade office worked with the Japan Oil, Gas and Metals National Corporation to arrange an Alaska Mining Seminar for business representatives and government officials in Tokyo. State of Alaska experts from the Departments of Commerce, Natural Resources, and Environmental Conservation presented information on mine permitting and mining operations in the state.

Alaska's forest products exports continued their overall contraction of the past 15 years. Alaska's exports to Japan in this industry were \$39 million in 2006, down 75 percent in the past 10 years. Exports have been affected by several factors over the years: conclusion of Alaska's long-term forest products contracts with Japan that were originally established in the 1950s; lower world market prices for wood; shifts in construction practices; changes in consumer preferences; and the closure of many Japanese sawmills as a result of competition from China's mills.

Japan is Alaska's second-largest international visitor market. Japan Airlines increased its winter charters linking Japan and Fairbanks to 10 flights in 2006. The charter operations are thanks, in part, to a team of organizations led by the Fairbanks Convention and Visitors Bureau, and including the Fairbanks International Airport, the Fairbanks Economic Development Corporation, the International Arctic Research Center at the University of Alaska Fairbanks, and the Alaska Travel Industry Association. This was the third consecutive winter season for the flights, which have increased in number each year. One of the primary Interior Alaska winter attractions for Japanese visitors is the exceptional aurora borealis viewing opportunity.

For a copy of the U.S. Commercial Service country commercial guide for Japan, please see http://www.buyusainfo.net/docs/x_2646330.pdf

The Government of Japan maintains a consulate in Anchorage, headed by Consul Hideo Fujita.



Alaska seafood exports to Japan were \$725 million in 2006. Photo of Japan's world famous Tsukiji seafood market courtesy of Kojiro Abe.



The export of LNG from Alaska to Japan began in 1969. LNG from the Nikiski, Alaska terminal is received at the Negishi, Japan terminal (above).



A Japan Airlines winter passenger charter flight departs Fairbanks International Airport. Photo courtesy of the Airport.

Korea

For the fourth consecutive year, Alaska's exports to Korea increased 6.2 percent. In 2006, the value of the exports rose to a record-high \$726 million, driven by significant increases in seafood, zinc ore, and forest products. Korea is Alaska's second-largest export market and the United States' seventh-largest trading partner.

The Korean economy registered strong economic growth in 2006 with GDP up 5 percent against 2005 activity. Although domestic consumption decreased as a result of slow job growth, Korea's export activity grew by double digits for the fourth straight year.

Alaska's 2006 seafood exports to Korea reached \$356 million, an 8.4 percent increase. Seafood exports were almost half the value of all of the state's exports to Korea. In addition to its growing consumption of Alaska seafood, Korea continues to play an important role in brokering Alaska seafood products to other world markets. Korea's major port at Busan is playing a role in Alaska pollock roe grading.

For a copy of the USDA Foreign Agricultural Service's annual report on Korea and fishery products, please see:
<http://www.fas.usda.gov/gainfiles/200611/146249420.pdf>

The value of Alaska's zinc and lead ore exports to Korea jumped 78.3 percent in 2006 to \$186 million. Due to its limited natural resources, Korea imports almost all of the minerals it requires for its strong industrial and manufacturing activities.

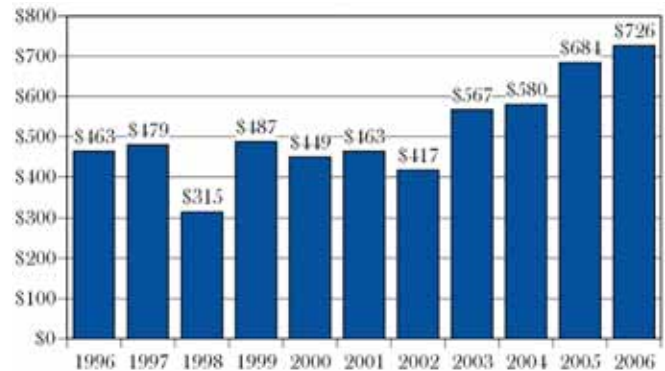
Alaska's energy exports to Korea were \$27 million in 2006 and included \$17 million in jet fuel and \$10 million in coal in 2006. Coal meets approximately 24 percent of Korea's total energy needs. Alaskan coal from Usibelli Coal Mine at Healy has been exported to Korea since 1985 via the Alaska Railroad and the Seward port. The coal export from Alaska fuels an electric power generation plant in Honam, Korea. The Governor's Exporter of the Year Award was presented to Usibelli Coal Mine in May 2007. Family owned and operated since its founding in 1943, Usibelli's coal export operations provide jobs not only in Healy but also at the Port of Seward and for the Alaska Railroad.

Korea was the largest single market for Alaska's export of fertilizer in 2006. The fertilizer exports to Korea totaled \$72 million, down from \$174 million the previous year. In 2006, fertilizer was exported to Korea, Mexico, Chile, Columbia and El Salvador. Overall, Alaska exports of fertilizer from Agrium's fertilizer plant on the Kenai Peninsula to world markets decreased significantly in 2006, reflecting the pressures of constraints on the Cook Inlet natural gas.

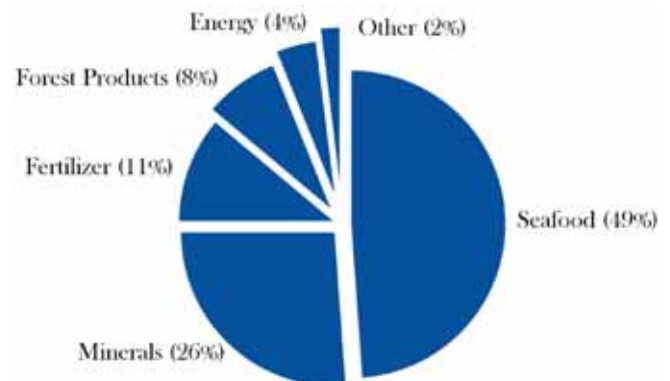
Alaska's forest products exports to Korea rose in 2006 to \$57 million, the third straight year of increases. Korea is an important market for Alaska log producers, who contend with challenges in other Asian markets.

Korea is a significant developing market for the Alaska visitor industry. Alaska officials have worked with the U.S. Embassy in Seoul to establish an Alaska Explorer Visa Program for Korean travelers. The program,

Alaska's Exports to Korea
Yearly Totals • In Millions



Alaska's Exports to Korea 2006



Korea

continued —

designed by Ted Stevens Anchorage International Airport and the Alaska Travel Industry Association, provides a guaranteed number of visa interviews at the U.S. Embassy for Alaska-bound visa applicants. Twenty Korean travel agencies are permitted to participate in the program, which was approved by the Embassy in spring 2006.

For a copy of the U.S. Commercial Service country commercial guide for Korea, please see http://www.buyusainfo.net/docs/x_92080.pdf. The United States and Korea worked in 2006 toward a free-trade agreement which would eliminate most tariffs within a 10-year period.

The government of Korea's honorary consul in Alaska is Consul William Bittner.



Lee and Thomas Kuk, with Governor Palin. Korean Air's cargo activity at Ted Stevens Anchorage International Airport makes it one of the airport's strongest airline revenue contributors.



China

China's rapid economic growth continued with another year of double digit growth — 10.7 percent in 2006. Alaska's exports to China again increased significantly in 2006, up 40.7 percent for the second year in a row to \$474 million of seafood, minerals, and forest products. China is Alaska's third-largest export market and the United States' second-largest trading partner.

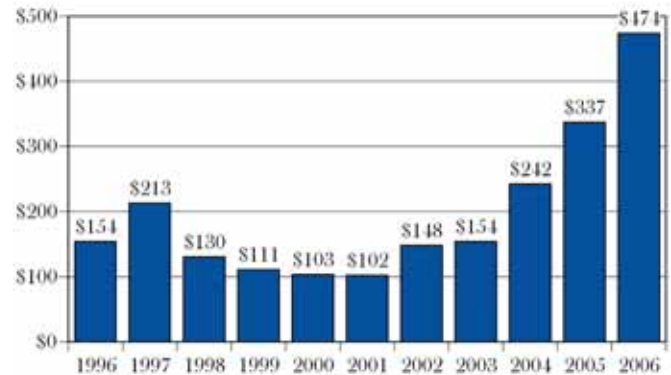
Alaska's seafood exports to China almost doubled from two years ago to \$323 million. Exports of fishmeal for animal feed increased to \$25 million. Although much of the seafood exported to China is reprocessed for re-export to Japan, Europe, and the U.S., demand for those products is increasing among China's urban markets. Alaska seafood is available in Western-style supermarkets in a growing number of major cities in China. As China's urban consumers become increasingly affluent, opportunities for Alaska's seafood expand.

Alaska Seafood Marketing Institute has a representative in Shanghai. The ASMI trade representative connects Chinese buyers and Alaska producers, conducts Alaska seafood promotions in restaurants and grocery stores, and works closely with buyers and media to educate about the availability and superior quality of Alaska's wild seafood products.

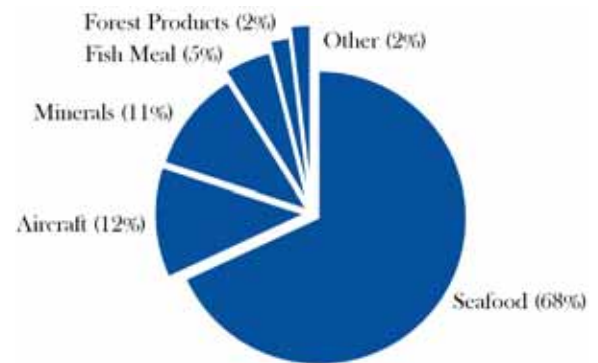
For a copy of the USDA Foreign Agricultural Service's 2006 annual report on China and fishery products, please see: <http://www.fas.usda.gov/gainfiles/200612/146269872.pdf>

Alaska's forest products export to China increased 3.9 percent in 2006 to \$7.9 million. Because

Alaska's Exports to China
Yearly Totals • In Millions



Alaska's Exports to China 2006



the log fumigation required by China is not practical or economic at Alaska's logging sites, the state's log producers meet the country's strict requirements in one of two ways. They are able to use China's log fumigation facilities upon arrival in the Port of Putian or Alaska's logs China-bound may be treated in other countries with established log fumigation capabilities. The U.S.-

Alaska Fur & Ice 2007 - Fairbanks



Diplomatic corps and international business representatives gathered in Fairbanks in March 2007 at Alaska Fur & Ice events. (L to R) Koji Mochizuki, Japan Airlines; Honorary Consul Satoshi Tategasawa, Japan Airlines; People's Republic of China Deputy Consul General Weilian Shen; Kazuya Mae, Sumitomo Metal Mining Pogo LLC; Jingmei Yang; Honorary Consul General of Thailand Jukr Boon-Long; Masatoshi Shiratori, Mitsubishi Corporation Kamolrat Boon-Long; Shuichi Kishida, Mitsubishi International Corporation; Industry Association; Consul of Japan Yoshio Uchiyama; Valentina Dobrova; Andrew Introna, Last Frontier Adventures; Daniel Chen, Taipei Economic and Cultural Office; Honorary Consul of the Republic of Korea Frank Nosek; Anna Vezzola, Alaska Bound; Charisse Childs, Talpacific Holidays; Danielle Thurairatnam, Rail Plus; Karen Hoy Fong, Gulliver's Pacific Ltd.



Premium Alaska seafood offerings captured attention at the China Fishery & Seafood Expo 2006 in Qingdao. Alaska Seafood Marketing Institute collected trade leads from seafood trade members not just from China but from all over Asia, while dispensing promotional literature and samples at the Alaska booth. The Expo marked its 10th anniversary as the seafood trade show for the world's largest seafood industry.



Sealaska Timber Corporation President and CEO Wade Zammit speaking at a forest products conference in Putian, Fujian Province.



People's Republic of China Consul General Keyu Peng and Mrs. Jingmei Yang traveled from the Chinese Consulate General in San Francisco to attend Alaska Fur & Ice in Fairbanks.

Chinese bilateral agreement that allows these two solutions was the result of several years of hard work by Alaska's forest products industry and by state and federal officials in both countries.

Alaska exported \$54 million of zinc and lead ore to China in 2006, an increase of 300 percent over the 2005 export value of \$13 million. Demand for minerals continues to grow at a rapid pace in China, reflecting the over 20 percent growth rate in its industrial sector. Driven by industrial growth, China has decreased its mineral imports taxes in recent years and has been active in efforts to secure mineral supplies around the world.

For a copy of the U.S. Commercial Service country commercial guide for China, please see http://www.buyusainfo.net/docs/x_98756.pdf



Consul of Norway Anton Zahl Meyer; Yasuo Nishiyama, Nippon Cargo Airlines; Chieko Tategasawa; Honorary Consul of the Federal Republic of Germany Bernd Guetschow; Consul of the Seychelles Harold Green; People's Republic of China Consul General Keyu Peng; Governor Sarah Palin; Consul General of the Russian Federation Vladimir; Consul General of Canada Peter Lloyd; Consul of Canada Karen Matthias; Taipei Economic and Cultural Office Director General Robert Chen; Andrew Larsen, Alaska Travel; Cramer, Lotus Leisure/Dialaflight; Honorary Consul of Poland Stan Borucki; Thomas Kuk, Korean Airlines; C.A. Chao, China Airlines; Honorary Consul of the Czech

Canada

Alaska exported \$445 million in minerals, seafood, and energy to Canada in 2006. Canada and Alaska have enjoyed strong economic ties for decades, including significant investment by Canadian mining companies. Canada is Alaska's fourth-largest export market and the United States' largest trading partner.

The value of Alaska's exports of zinc and lead ore to Canada tripled in 2006 to \$320 million. In the three years previous to 2006, Alaska's ore exports had been over \$100 million per year. Canadian mining companies continue strong programs of exploration in the state.

Seafood exports were \$67 million in 2006, the same as in 2005. Energy exports increased to \$19 million.

The State of Alaska and the Yukon Government have cooperated on a pre-feasibility study on a proposed Alaska-Canada Rail corridor connection. For more information, see <http://alaskacanadarail.com/>

During 2006, the government of Canada actively consulted with the U.S. government and with state governments, including Alaska on the complexity of new passport requirements mandated by the Western Hemisphere Travel Initiative (WHTI). The Alaska-Canada border is the single longest border between any U.S. State and Canada and there are high volumes of air, sea, and land cross-border traffic.

The Consulate of Canada in Alaska published an economic impact study in 2005; an executive summary of "Canada's Impact on Alaska" can be found at www.anchorage.gc.ca

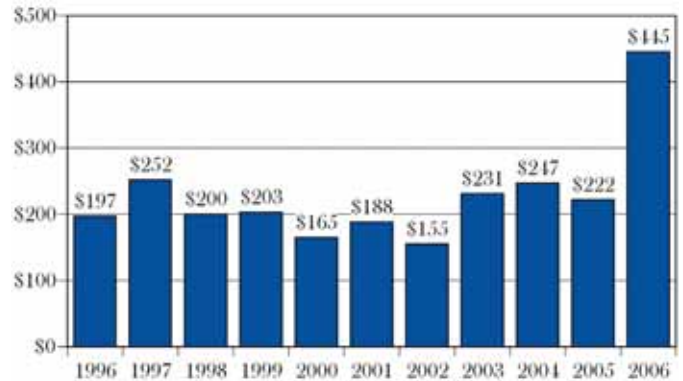
Excerpts from "Why Canada Matters to Alaska," a report prepared for the Consulate of Canada by the McDowell Group, Inc. © 2005

Canada plays a significant role in Alaska's economy – directly accounting for more than 2,600 jobs and \$134 million in payroll annually.

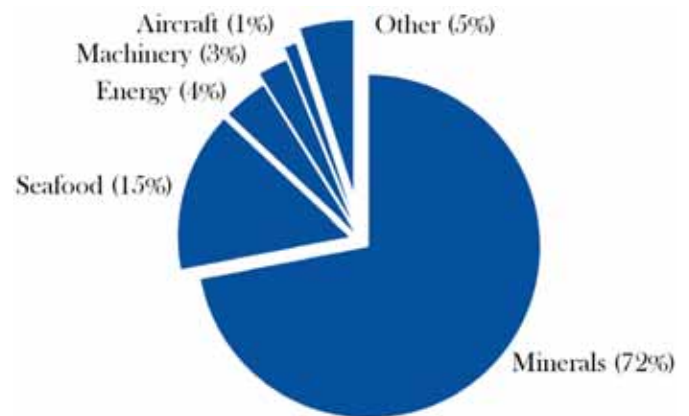
Including direct and indirect impact, Canadian economic activity resulted in over 7,500 in jobs and \$330 million in payroll in Alaska in 2004.

Alaska and Canada also share rivers, mountain ranges, highways, history, industries, Native communities, and cultures, in addition to more than 1,500 miles of border. These geographic and historical connections contribute to the close integration of the Canadian and Alaska economies.

Alaska's Exports to Canada
Yearly Totals • In Millions



Alaska's Exports to Canada 2006



By the Numbers

2,600+	Average annual direct employment in Alaska by Canadian companies, 2004
\$134 million	Direct payroll of Canadian companies operating in Alaska, 2004
7,500	Estimated direct and indirect employment resulting from Canadian economic activity in Alaska, 2004
\$330 million	Estimated direct and indirect payroll resulting from Canadian economic activity in Alaska, 2004
\$2.3 billion	Total investment in mining exploration and development by Canadian companies, 1981-2004
40+	Number of mining projects in Alaska currently with Canadian participation
76%	Canada's share of total mining exploration and development expenditures incurred in Alaska, 1981-2004
400,000+	Annual number of people entering Alaska from Canada on the highway system
880,000+	Annual number of people on cruise ships sailing to and from Alaska via Canadian ports
\$81 million+	Estimated annual spending in Alaska by more than 100,000 Canadian visitors

The Government of Canada maintains an office in Anchorage. The office is headed by Consul Karen Matthias.



Yukon Premier Dennis Fentie and Governor Sarah Palin met in January 2007 to talk about Alaska-Yukon relations.



(l to r) Trade Specialist Shelley James, Governor Sarah Palin, Consul General of Canada Peter Lloyd, Consul of Canada Karen Matthias.



The Red Dog Mine is the world's largest zinc mine and is located in the DeLong Mountains of the western Brooks Range, approximately 90 miles north of Kotzebue, and 55 miles from the Chukchi Sea. Development of the Red Dog Mine is a joint venture between the mine owner, Northwest Alaska Native Association Regional Corporation; Teck Cominco, a Canadian mining company; and — for road and port infrastructure — the Alaska Industrial Development and Export Authority.

Germany

Alaska's 2006 exports to Germany increased 34 percent to \$242 million, driven by significant increases in the two major exports, seafood and minerals.

Alaska's exports of seafood to Germany were \$202 million, over the \$200 million mark for the first time. Alaska's wild and natural seafood, its fisheries managed for sustainability, and food traceability combine to make Alaska seafood products a good match for Germany's consumers, who are well educated about health and environmental issues. The popularity of white fish – pollock, cod, halibut, sole and black cod – continues. Germany's custom smokers are also continuing to produce a variety of high-end smoked salmon for consumers.



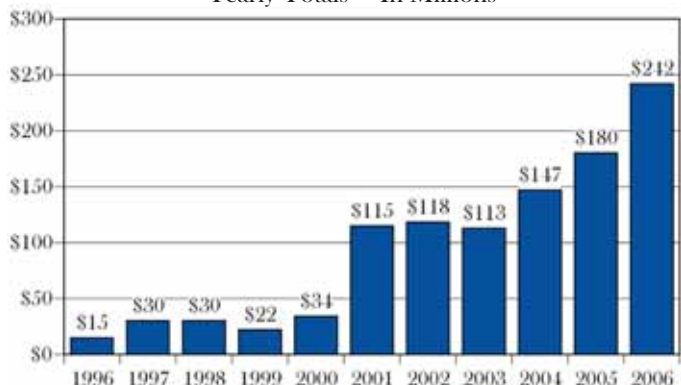
In 2006 Alaska's mineral exports of zinc to Germany tripled in value to \$34 million, up from \$11 million in 2005. Spurred in part by China's economic development and mineral requirements, world market prices for zinc and other minerals have increased significantly.

German-speaking Europeans are Alaska's largest international visitor market outside of North America, estimated at 35,000 visitors per year. For several years, Condor has been operating four charters per week to Alaska from mid-May to September with three weekly flights to Anchorage and one to Fairbanks.

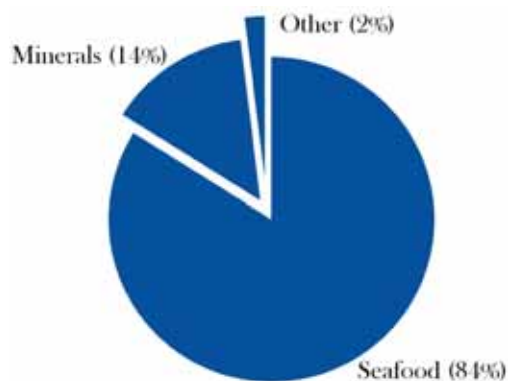
For a copy of the USDA Foreign Agricultural Service's 2006 annual report on Germany and fishery products, please see <http://www.fas.usda.gov/gainfiles/200610/146249121.pdf>

For a copy of the U.S. Commercial Service country commercial guide for Germany, please see http://www.buyusainfo.net/docs/x_3537473.pdf

Alaska's Exports to Germany
Yearly Totals • In Millions



Alaska's Exports to Germany 2006



Condor Airlines has been operating summer charter flights to Alaska since 1994. Condor's 2007 plans call for extending the schedule of flights into early October. Photo courtesy of Fairbanks International Airport.



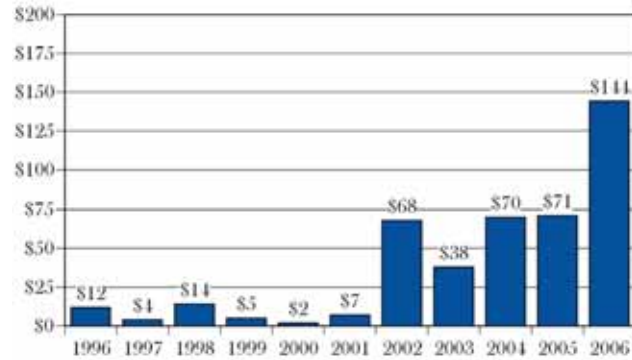
The Alaska Seafood Marketing Institute promotes Alaska's wild and natural seafood in Germany and other key European Union markets. Chefs prepared Alaska salmon at an Essen und Trinken Symposium in 2006. Photo courtesy of the Alaska Seafood Marketing Institute.

Spain

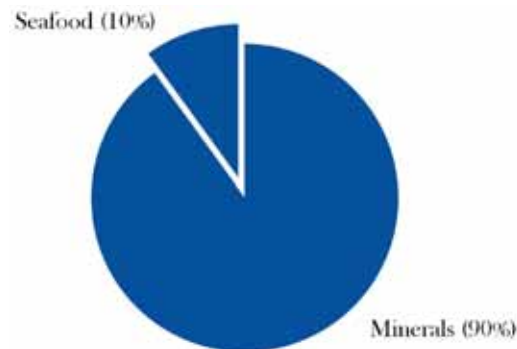
Alaska exported \$144 million of minerals and seafood to Spain in 2006. The value of Alaska zinc and lead ore exports to Spain was \$129 million in 2006, up from \$71 million in 2005. Spain is home to the world's largest single zinc smelter. Spain's history of mining activity has made it a significant center for import and processing. The country's natural resources have also allowed it to be a source of mineral export to Europe and the Americas over the years.

For a copy of the U.S. Commercial Service country commercial guide for Spain, please see http://www.buyusainfo.net/docs/x_5388033.pdf

Alaska's Exports to Spain
Yearly Totals • In Millions



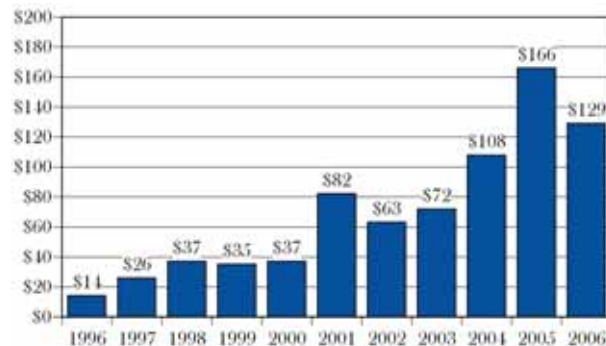
Alaska's Exports to Spain 2006



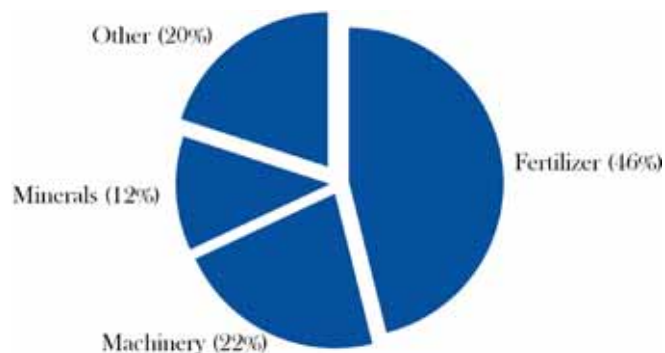
Mexico

Alaska exported \$129 million of fertilizer and other products to Mexico in 2006. The fertilizer export of \$60 million reflects the important role the country plays in agricultural products for North America. The value of machinery and electrical machinery exported from Alaska to Mexico in 2006 totaled \$29 million. Alaska also exported \$15 million of zinc ore to Mexico.

Alaska's Exports to Mexico
Yearly Totals • In Millions



Alaska's Exports to Mexico 2006

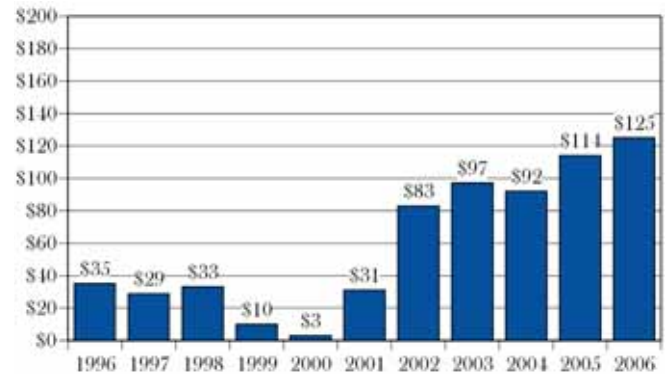


Netherlands

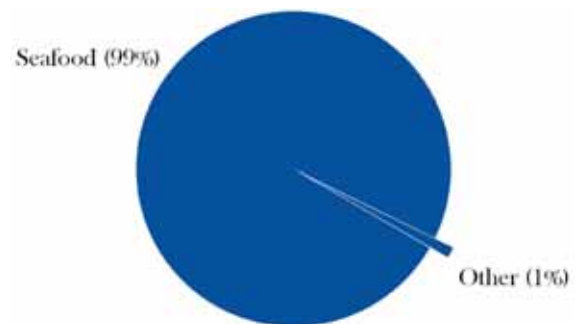
In 2006, Alaska exports to The Netherlands — almost exclusively seafood — reached \$125 million, an increase of 9 percent over the previous year. Alaskan seafood destined to meet the strongly increasing demand of European Union markets flows through Rotterdam, Europe's largest port. The Port's storage infrastructure and transportation links to rail, roads and waterways are key in delivering Alaska seafood to Europe.

Alaska's Exports to Netherlands

Yearly Totals • In Millions



Alaska's Exports to Netherlands 2006



Switzerland



Fort Knox Gold Mine under the northern lights.

Alaska exported \$115 million to Switzerland in 2006, primarily gold from Fort Knox Gold Mine, but also significant amounts of seafood and forest products. Gold export increased 28 percent to \$108 million. In May of 2006, Fort Knox Gold Mine celebrated the pouring of its three

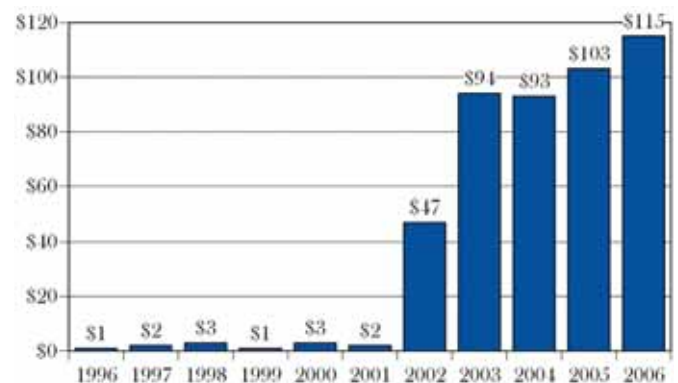
millionth ounce. The mine employs upwards of 400 people year round.

Alaska's direct export of seafood increased 41 percent to \$4 million. The export of Alaska seafood directly to Switzerland rather than through buyers in other European countries has helped to increase substantially export numbers over the past three years. The country's high per capita income and consumer emphasis on healthy food make it a natural market for Alaska's wild seafood.

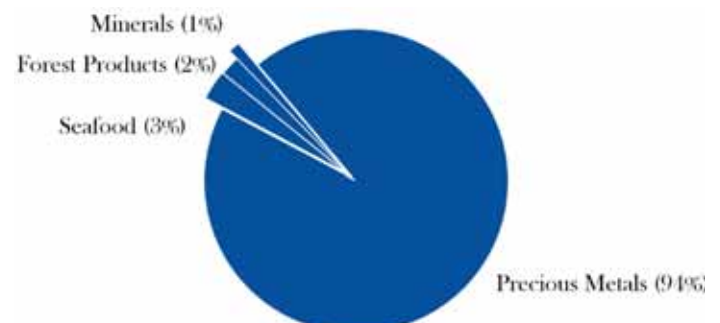
Swiss visitors to the state make up part of Alaska's number-one international visitor industry market, German-speaking Europe.

Alaska's Exports to Switzerland

Yearly Totals • In Millions



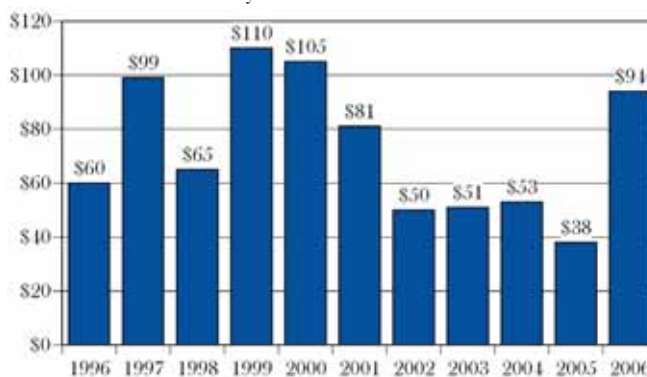
Alaska's Exports to Switzerland 2006



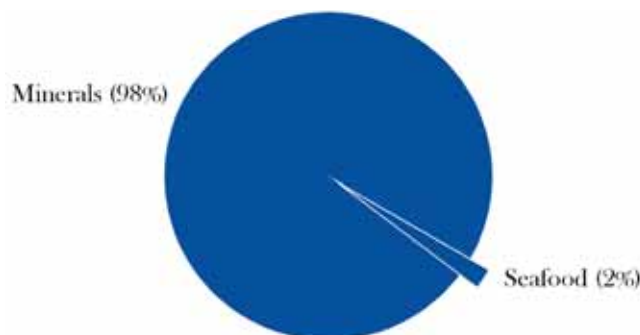
Belgium

The total value of Alaska's exports to Belgium more than doubled to \$94 million in 2006 over the previous year, due to the export of zinc and lead ores shipped to smelters in Belgium. Belgium's smelters are located near a highly industrialized region in Europe that have been the destination for Alaska zinc for many years.

Alaska's Exports to Belgium
Yearly Totals • In Millions



Alaska's Exports to Belgium 2006



The Alaska Seafood Marketing Institute organizes an Alaska seafood promotion at Europe's largest seafood trade show, the European Seafood Exposition. The ESE attracts over 1600 exhibitors from more than 77 countries. In 2006, for the first time, more Alaska salmon were exported to European markets than to Japan.

Russia

The annual value of Alaska's exports to Russia has varied greatly in the past 10 years from \$2 million to \$20 million. In 2006, exports totaled \$11 million, up 27 percent from 2005.

Seafood exports have grown steadily over the past five years to \$7 million in 2006, an increase of 35 percent over 2005. Exports of goods are only one part of strong ties between Alaska and Russia.

Alaska's oilfield service and support companies continue to find opportunity to provide technical expertise to the efforts to develop natural resources in the Russian Far East (RFE).

Alaska's ties to Russia are historically strong. In the past decade the interest of Russian officials in Alaska's economic development models has emerged. There has been particular interest by Russian representatives in understanding the experiences of Alaska as a result of the Alaska Native Claims Settlement Act and the establishment of Alaska Native corporations.

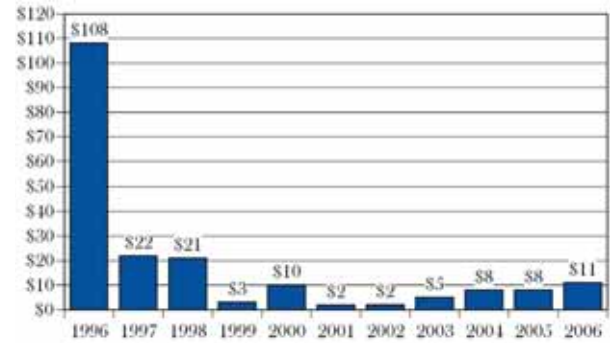
Three important visits occurred in 2006. In February, Kamil Shamilieovich Iskhakov, Plenipotentiary Representative of the President to the Far Eastern Federal District, and Chukotka Governor Roman Abramovich, visited Alaska to meet with state officials, Native corporation officials, economists, and other economic development experts. In May, the Council of Federation's committee for Northern issues came to Alaska. Sergey Matveev, a Council of Federation representative and first deputy chairman of the Council's Committee on Issues of the Northern Territories and Indigenous Minorities, led the 2006 delegation. In the summer, Representative Iskhakov returned with an extremely high-ranking delegation of more than 50 officials, including nine governors of the Russian Far East and the elected heads of most of the RFE provincial legislatures.

The U.S. Coast Guard's 17th District and the Russian Federal Security's North-Eastern Coast Guard Department have cooperated closely in observing and protecting marine resources in the North Pacific Ocean since 1992. Their cooperation promotes safe and legal operations in convention areas and their regular exchanges on fisheries-related situations are part of successful management of the North Pacific and Bering Sea.

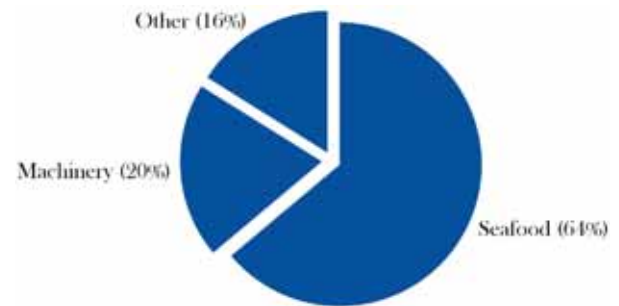


Russian dignitaries gathered in Fairbanks, Alaska for the August 2006 dedication of the World War II Lend Lease Memorial. (l to r) Deputy Consul General Alexander Doronin, Consul General Vladimir Volnov, Plenipotentiary Representative to the Russia Far East Kamil Iskhakov, First Deputy Prime Minister Sergei Ivanov, and Chukotka Governor Roman Abramovich.

Alaska's Exports to Russia
Yearly Totals • In Millions



Alaska's Exports to Russia 2006



The Institute of the North, an educational and research non-profit organization in Anchorage, continued its work with the Russian Federation on issues of improving infrastructure related to aviation and transportation corridors, telecommunications and marine links. Former Alaska Governor Walter J. Hickel, founder of the Institute, co-chaired a conference in Moscow on Transport Mega Projects of the 21st Century, which primarily focused on the concept of a tunnel being constructed linking Alaska and the Russian Far East. The Institute will also be hosting the Arctic Energy Summit Technology Conference in Anchorage in October 2007, which will include energy experts from Moscow, Khanty-Mansiysk and other regions of Russia.

Governor's Exporter of the Year Awards

The Governor's Exporter of the Year awards for export activity in 2006 were awarded to Usibelli Coal Mine, Inc. and to the Fairbanks Convention and Visitors Bureau at the Export Alaska luncheon in Anchorage in May 2007. Lt. Governor Sean Parnell presented the awards on behalf of the Governor.

"It is a delight to honor Usibelli and FCVB with these awards," said Governor Palin at the time of the awards. "I thank Usibelli for their international export activity that creates jobs at the mine in Healy, at the coal terminal in Seward and for the Alaska Railroad. And FCVB and its 400 members are doing a great job exporting the Alaska winter experience by attracting increasing numbers of international visitors. Their international activities may vary widely but the result is the same — they are promoting economic growth in our state. These awards illustrate how international activity is succeeding across our state in all kinds of businesses."

Usibelli Coal Mine, Inc. has been an important family-owned and -operated Alaska company for decades. Since its founding in 1943 by Emil Usibelli, the company's work and commitment to Interior Alaska have won awards and recognitions both outside and inside the state. Since 1985, Usibelli has exported more than 13 million tons of coal to several Pacific Rim customers, primarily South Korea. Since initial test shipments to Chile in 2004, Usibelli has exported more than 500,000 tons to three utilities that operate power plants along the west coast of Chile.

"We're honored by this recognition. It is the culmination of years of hard work by many people that has resulted in successful marketing of Alaska's abundant coal resources to countries on the Pacific Rim. UCM has a long and proud history of international coal trade with South Korea and we are especially pleased to be included in Chile's portfolio of fuel suppliers" said Joe Usibelli, Jr., president of Usibelli Coal Mine, Inc. "Chile's demand for coal is expected to increase significantly in the near future and we look forward to being a long-term reliable fuel supplier to meet their growing energy needs."

The Fairbanks Convention and Visitors Bureau represents more than 400 large and small businesses that care about the visitor industry in Interior Alaska. FCVB worked to encourage an airline to initiate nonstop international passenger air service between Japan and Fairbanks. The team included the Fairbanks International Airport, the Fairbanks Economic Development Corporation, the International Arctic Research Center and the Alaska Travel Industry Association. This past winter 10 Japan Airlines charters brought Japanese visitors to Alaska.

FCVB President and CEO Deb Hickok said, "Fairbanks is honored to host thousands of travelers who are returning home to Japan with stories of awe, adventure and amazing Alaskans. We are deeply grateful to the Governor for acknowledging our efforts."



Lt. Governor Sean Parnell presents Joe Usibelli of Usibelli Coal Mine, Inc. with the Governor's Exporter of the Year award.



Lt. Governor Sean Parnell presents Deb Hickok of the Fairbanks Convention & Visitors Bureau with the Governor's Exporter of the Year award for services.

International Aviation

In 2006, cargo traffic at Ted Stevens Anchorage International Airport (ANC) grew 8.9 percent. Currently, 40 foreign and domestic airlines operate in Anchorage, transporting 6.3 billion pounds of cargo each year. Most of the international cargo operators have the authority to pick up or drop off international freight from or to the Alaska market.

Activity at Ted Stevens Anchorage International Airport creates one in nine jobs in Anchorage, many of them in international cargo operations.

Alaska also enjoys nonstop year-round passenger service to Taipei on China Airlines; and seasonal nonstop passenger service to Frankfurt on Condor German Airlines, to Seoul on Korean Air, and to Vancouver.

Recent U.S. legislation allows foreign and domestic carriers to expand transfer operations at Anchorage's airport. Northwest, Korean, DHL and Transmile Air have initiated transfer operations under this new authority. Many international cargo operators also have significant cargo sorting and transloading operations in Anchorage including UPS, FedEx, China Airlines and Japan Airlines.

The Ted Stevens Anchorage International Airport was awarded Air Cargo World's Air Cargo Award of Excellence for airports of more than 1 million tons of annual cargo volume. This award is a result of a survey conducted by Air Cargo World of national and international cargo carriers and freight forwarders.



Ted Stevens Anchorage International Airport is the number one U.S. airport for all-cargo aircraft landed weights and the number three airport in the world for cargo throughput. Photo courtesy of the Airport.



Japan Airlines flew 10 nonstop winter charters to Fairbanks in winter 2006/2007. In addition to the 400 large and small businesses who are members of the Fairbanks Convention & Visitors Bureau, the FCVB team effort to attract Alaska/Japan winter passenger service included Fairbanks International Airport, Fairbanks Economic Development Corporation, the International Arctic Research Center at UAF, and the Alaska Travel Industry Association. Photo of JAL passengers courtesy of Fairbanks International Airport.

At Fairbanks International Airport (FAI), Japan Airlines increased the number of Tokyo-Fairbanks 747 passenger charter flights for winter 2006/2007 from 10 to thirteen, and has plans for a similar size increase for the 2007/2008 winter season, with each flight averaging 300-plus visitors. For the second consecutive season, JAL operated summer passenger charter flights to Fairbanks, enabling Japanese visitors to make the most of their time in Alaska with one-way itineraries that begin in Fairbanks and end in Anchorage and vice versa.

Condor Airlines' Alaska operations continued to grow with four weekly summer season flights to Anchorage and Fairbanks that brought more than 10,000 German-speaking Europeans for Alaska/Yukon adventures. In 2007 for the first time Condor has extended its FAI operations into early October. Fairbanks retained its enviable standing as, by far the smallest U.S. market with non-stop passenger service to Europe.

The largest aircraft in civilian service, Antonov-124 "Ruslans," have returned to FAI after a two-plus year absence. July 18, 2006 marked their return to Fairbanks with the first flight from the airline division of the Antonov Design Bureau, the AN-124's Kiev, Ukraine-based manufacturer. They operated a charter on behalf of the Swedish Air Force to Eielson Air Force Base. These additional cargo charters will bring anywhere from 70 to 100 AN-124 aircraft flights into Fairbanks in 2006-2007.

International Marine Links

Alaska's exports of seafood, minerals, forest products, energy and coal move by bulk vessels from various ports in Alaska. Dutch Harbor-Unalaska is the top U.S. port for export of seafood. Red Dog Mine in northwest Alaska ships ore seasonally using the road and port of the Delong Mountain Transportation System owned by the Alaska Industrial Development and Export Authority. Coal exports are carried on the Alaska Railroad to the Port of Seward, where the railroad's coal loading facility is operated by Hyundai Merchant Marine. Alaska's LNG and fertilizer exports move from tidewater terminals on the Kenai Peninsula. Forest products move directly from a variety of Alaska destinations to international markets.

Sister States/Provinces

Heilongjiang Province, China
Khabarovsk Region, Russia
Taiwan Province, Taiwan

Sister Cities

Anchorage	Chitose, Japan Darwin, Australia Incheon, Korea Magadan, Russia Tromso, Norway Whitby, England
Barrow	Ushuaia, Argentina Inuvik, Northwest Territories
Fairbanks	Aix-Les-Bains, France Mo-I-Rana, Norway Tainan City, Taiwan
Fairbanks North Star Borough	Mombetsu City, Japan Yakutsk, Russia
Girdwood	Myoko-Kogen, Japan
Homer	Teshio, Japan Yelisovo, Russia
Juneau	Camiling, Philippines Chia-Yi Township, Taiwan Lenin District, Vladivostok, Russia Whitehorse, Canada Mishan City, Heilongjiang, China
Kenai	Okha, Sakhalin Island, Russia
Ketchikan	Prince Rupert, Canada Kanayama-Gara, Japan
Kotzebue	Lavrentiya, Russia
Mountain Village	Takienoue Town, Japan
Nome	Providenya, Russia
North Pole	Itadori-Mura, Japan
Palmer	Saroma, Japan
Petersburg	Hammerfest, Norway
Savoonga	Sereniki, Russia
Seward	Obihiro, Japan
Sitka	Nemuro, Japan
Soldotna	Nogliki, Sakhalin, Russia
Unalaska	Petropavlovsk-Kamchatsky, Russia
Wasilla	Mirniy, Russia
Wrangell	Noshiro, Japan



A partnership program linking Alaska cities with Russian Far East cities to assist local economic development is part of the International City/County Management Association's (ICMA) CityLinks program. Four American cities and five Russian cities are teaming up for this project with Anchorage partnering with Dolinsk and Yuhzno-Sakhalinsk, Wasilla with Ussurisk, Juneau with Bikin, and Kenai with Bolshoy Kamen.

Above, Alaskans and representatives of ICMA in Vladivostok (l to r): Mike Catsi and Mike Healy representing the City of Skagway; Kevin Ritchie representing Juneau, Sue Cosner, ICMA Representative, Casey Reynolds representing Wasilla, and ICMA Staff Kelly Cullum and Bill Monahan.



Juneau representatives Kevin Ritchie and Steve Gilbertson visit Luchegorsk powerplant as part of the ICMA City Links Program.

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Consul General of the Russian Federation Vladimir Volnov accompanied a group of more than 50 Russian Far East officials on a visit to the Southeast Alaska Indian Cultural Center in Sitka.

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