



STATE OF ALASKA
OFFICE OF THE GOVERNOR

2007 Exports



SARAH PALIN, GOVERNOR
KRIS PERRY, DIRECTOR OF INTERNATIONAL TRADE



July 2008

Welcome,

Thank you to Alaska's friends in international markets for your interest in our people and our natural resources. Our state's long-standing ties of friendship, trade, and international investment have helped us all for many decades.

In 2007, Alaska's exports reached \$3.9 billion, the second highest year ever. My congratulations to all Alaskans whose hard work benefits our state's trade and foreign investment. I thank Alaskans working in all areas of international activity including the visitor industry, the state's international ports and airports, the schools, and technical service companies.

Congratulations to this year's winners of the Governor's North Star Awards for International Excellence. These companies and organizations show the strength and range of Alaska's international activity.

You'll see in this report how valuable trade is to our state's economy. Alaskans have been adding value to our seafood industry for many years by managing our fisheries well. We continue to push hard both at home in the U.S. and in international markets so we can receive the highest possible value for our great fish. As our state's constitution has dictated from the beginning of statehood, we are committed to sustainability of our precious fisheries.

Education helps trade, too. International courses and programs at our schools and universities help us excel in international markets. We must further prepare Alaska 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.

Again, thanks to hard working Alaskans and to our friends around the world for our state's successes in the international arena.

Sincerely,

A handwritten signature in blue ink, reading "Sarah Palin".

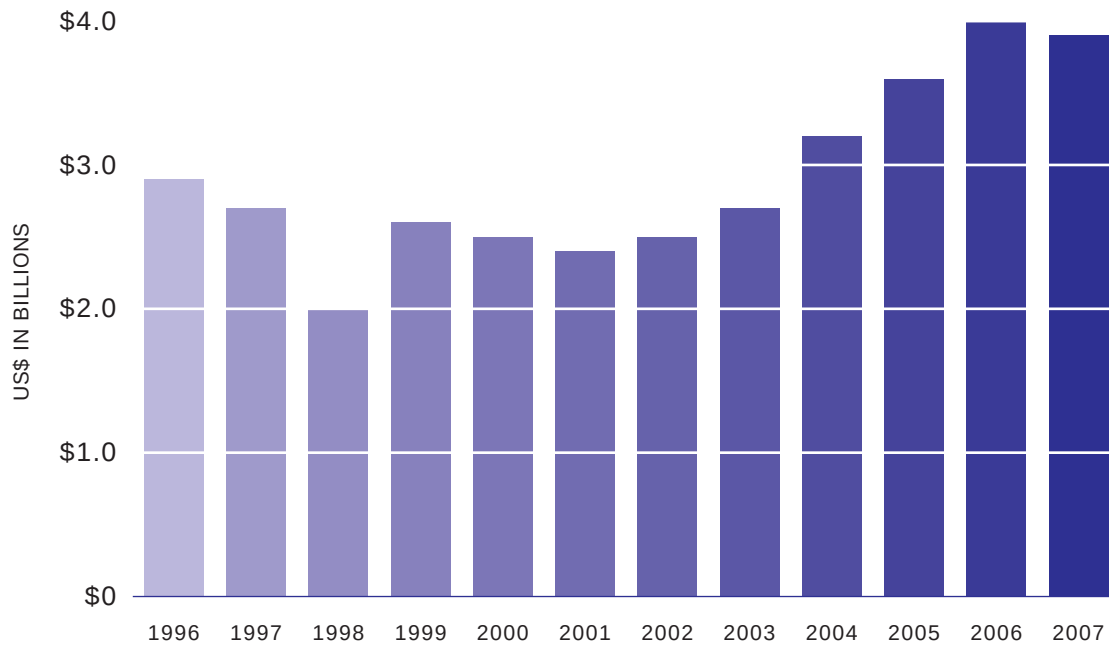
Sarah Palin
Governor

ALASKA'S TOP EXPORT PARTNERS

Rank	US Dollars			% Change
	2005	2006	2007	2007/2006
1 Japan	\$1,185,287,921	\$1,091,523,446	\$854,607,177	-21.71
2 China	\$337,428,654	\$474,279,855	\$715,666,333	50.90
3 Korea	\$686,062,904	\$725,681,530	\$702,932,842	-3.13
4 Canada	\$222,904,476	\$451,398,574	\$460,329,804	1.98
5 Germany	\$183,345,229	\$241,527,683	\$202,178,610	-16.29
6 Spain	\$71,511,369	\$143,748,487	\$143,317,377	-0.30
7 Switzerland	\$103,405,853	\$115,152,768	\$132,355,813	14.94
8 Netherlands	\$115,659,345	\$124,533,651	\$113,854,843	-8.58
9 Finland	\$21,566,824	\$38,747,835	\$65,953,116	70.21
10 Mexico	\$173,805,131	\$128,983,380	\$63,846,772	-50.50
11 Portugal	\$35,521,577	\$43,474,803	\$53,293,341	22.58
12 Belgium	\$38,347,651	\$94,202,870	\$48,987,626	-48.00
13 France	\$34,173,707	\$29,102,692	\$41,522,401	42.68
14 Thailand	\$30,228,526	\$18,194,552	\$36,159,324	98.74
15 Norway	\$25,999,244	\$21,684,938	\$31,656,828	45.99
16 Taiwan	\$17,162,548	\$13,753,163	\$28,687,584	108.59
17 United Kingdom	\$20,893,372	\$36,753,469	\$27,717,232	-24.59
18 Italy	\$27,311,169	\$24,722,560	\$25,722,846	4.05
19 Chile	\$18,657,998	\$23,175,117	\$21,686,857	-6.42
20 Ukraine	\$2,920,793	\$8,917,641	\$15,751,233	76.63
Other	\$260,895,268	\$196,649,797	\$108,390,513	
World	\$3,613,089,559	\$4,046,208,811	\$3,894,618,472	-3.75

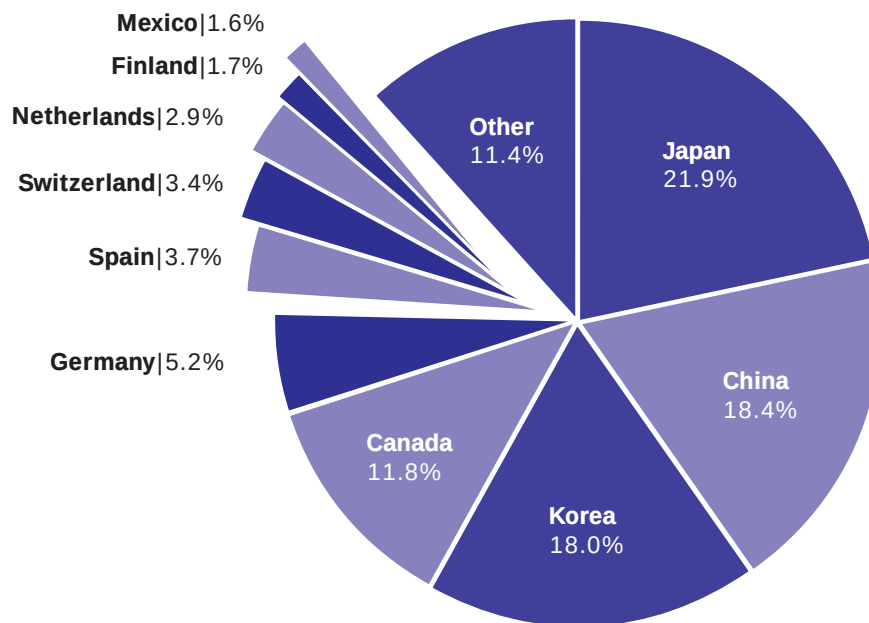
SOURCE: U.S. CENSUS BUREAU, ORIGIN OF MOVEMENT SERIES, MARCH 2008

ALASKA'S TOTAL EXPORT



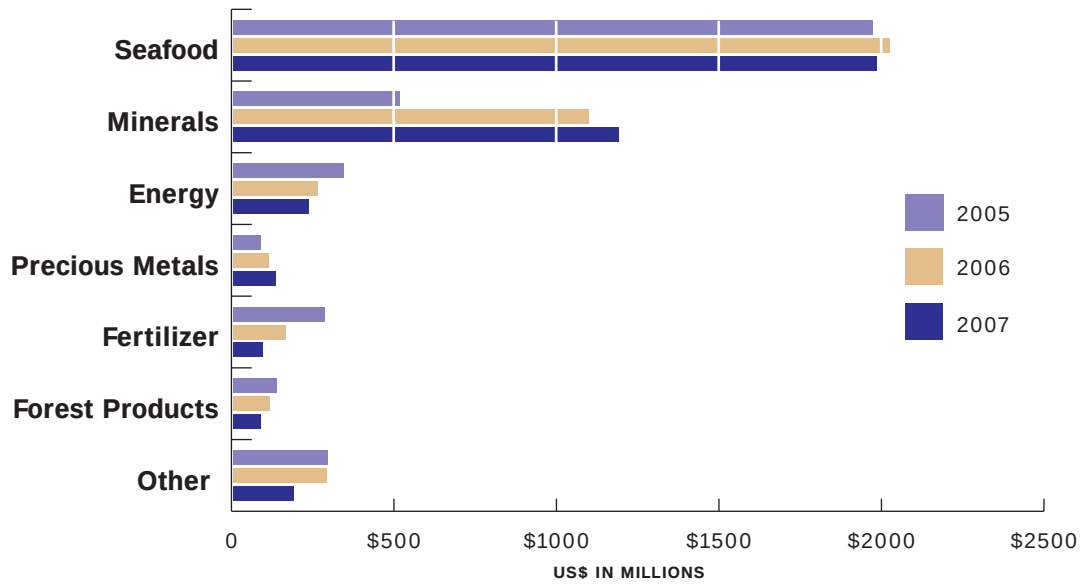
SOURCE: U.S. CENSUS BUREAU, ORIGIN OF MOVEMENT SERIES, MARCH 2008

ALASKA'S EXPORT DESTINATIONS 2007



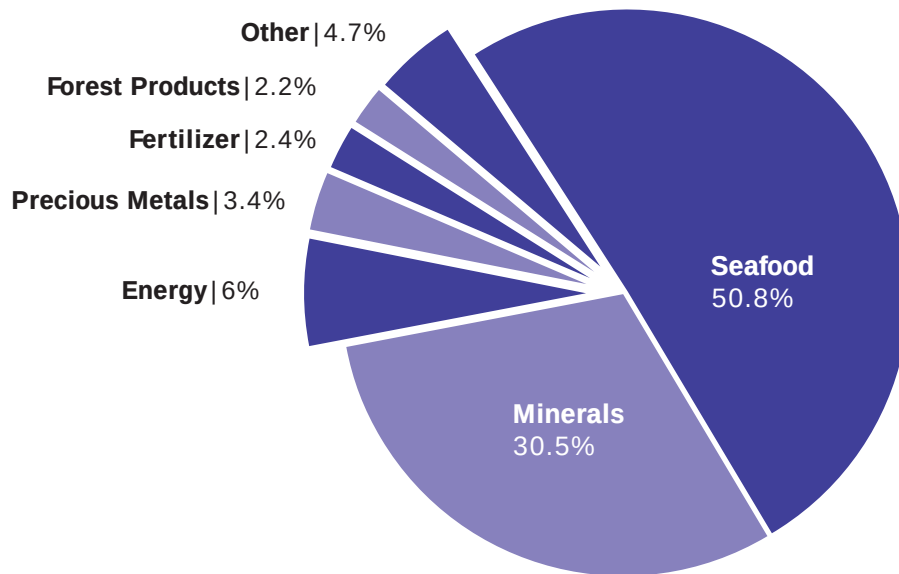
SOURCE: U.S. CENSUS BUREAU, ORIGIN OF MOVEMENT SERIES, MARCH 2008

ALASKA'S MAJOR EXPORT PRODUCTS



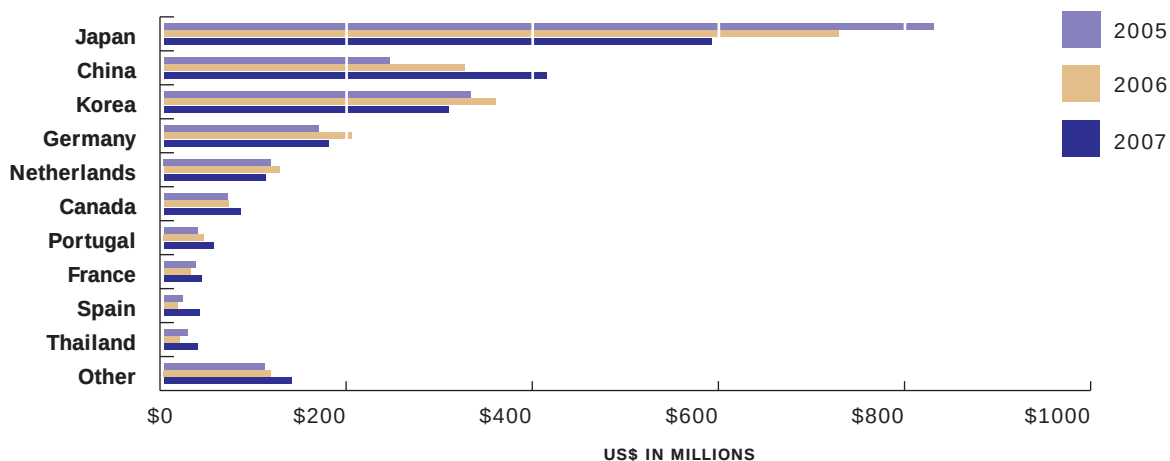
SOURCE: U.S. CENSUS BUREAU, ORIGIN OF MOVEMENT SERIES, MARCH 2008

ALASKA'S MAJOR EXPORT PRODUCTS 2007

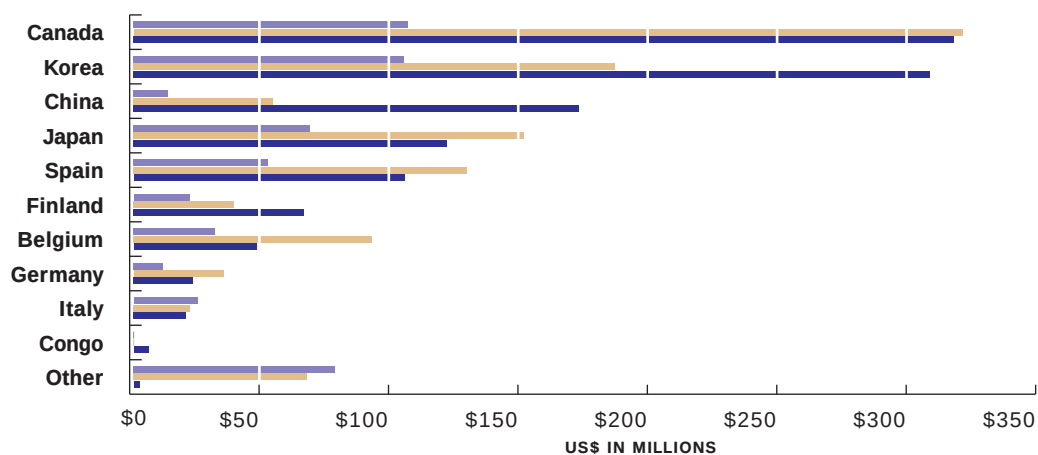


SOURCE: U.S. CENSUS BUREAU, ORIGIN OF MOVEMENT SERIES, MARCH 2008

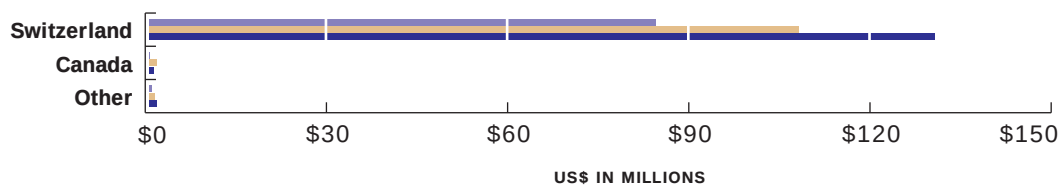
SEAFOOD EXPORT



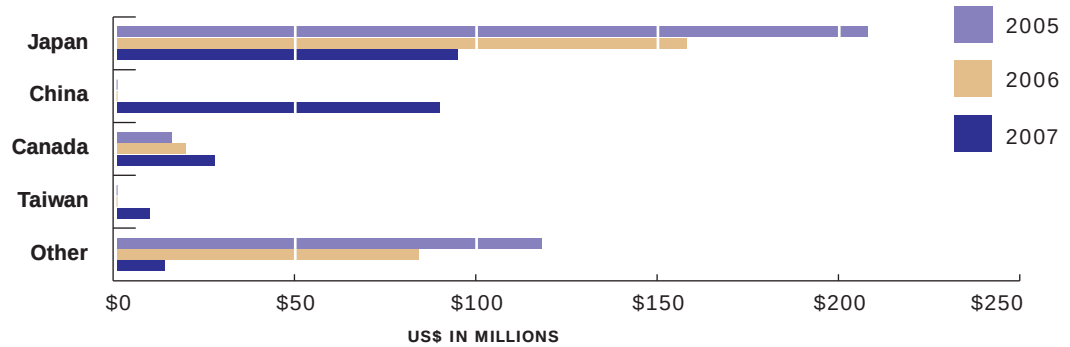
MINERALS EXPORT



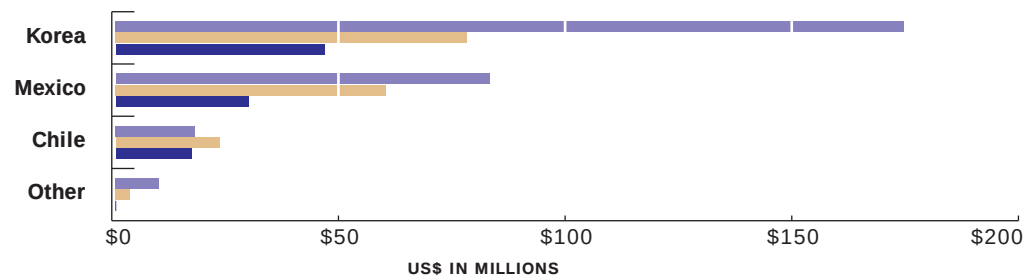
PRECIOUS METALS EXPORT



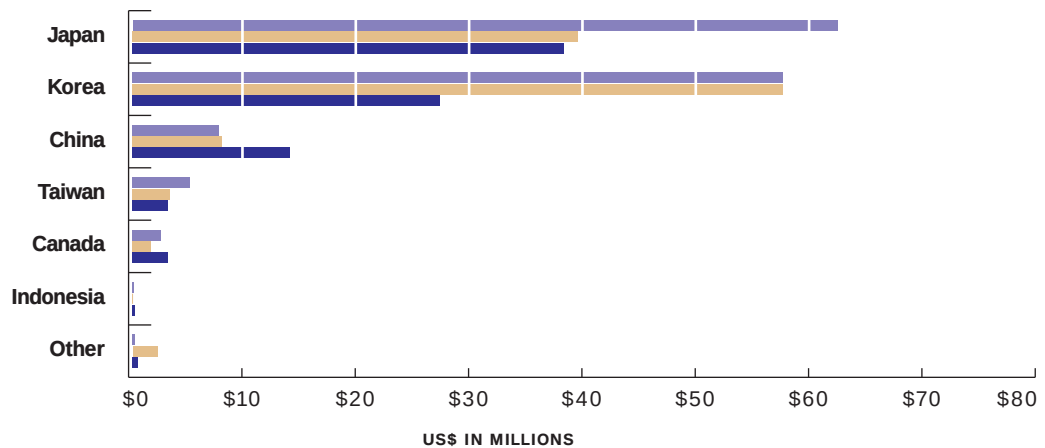
ENERGY EXPORT



FERTILIZER EXPORT

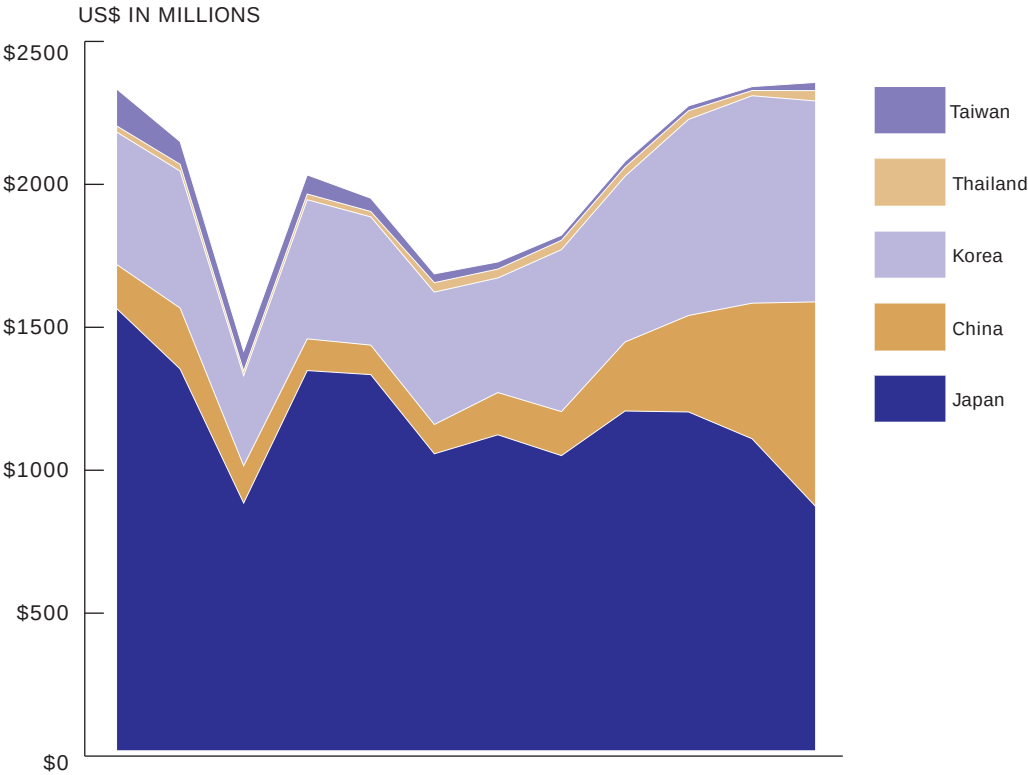


FOREST PRODUCTS EXPORT

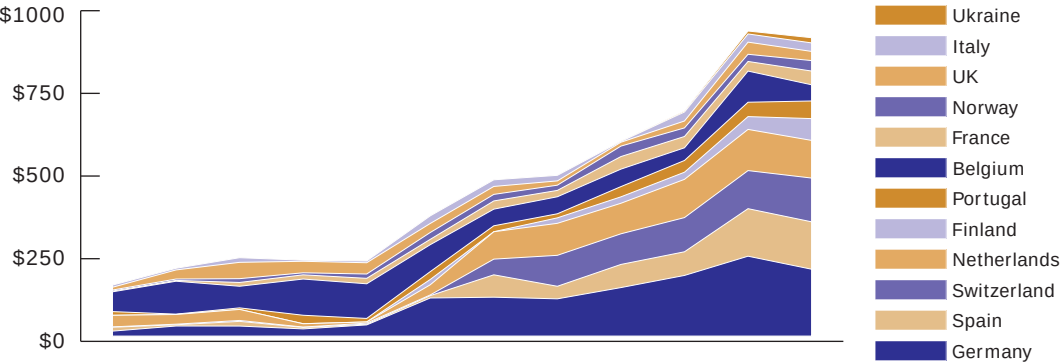


ALASKA'S TOP EXPORT PARTNERS

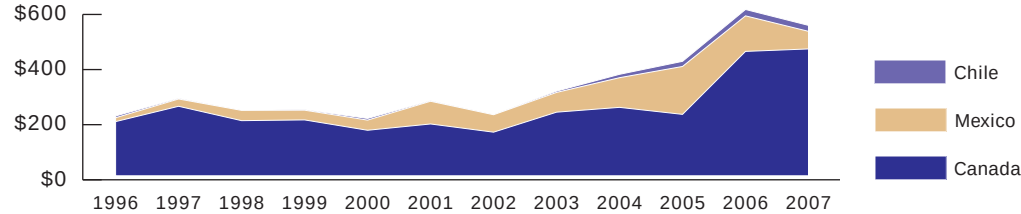
Asia



Europe



The Americas



JAPAN

In 2007, Alaska exported \$855 million worth of seafood, minerals, energy and forest products to Japan, long the number one market for Alaska's exports. In recent years, the value of Alaska's exports to Japan has trended downward. Japan accounted for 21.9 percent of the state's total exports in 2007. A decade ago, Japan accounted for approximately 60 percent of the state's exports. The 2007 exports decreased 21.7 percent from the previous year. More and more of Japan's processing capacity is moving to other Asian locations, especially China.

Japan's GDP grew 2.1 percent in 2007. The country's economy has grown for six years in a row. Japan is the United States' fourth largest trading partner and is the second largest national economy in the world.

Alaska's seafood exports to Japan totaled \$588 million in 2007, down from \$725 million the previous year. Alaska has the majority share of U.S. export of seafood to Japan which totaled \$780 million in 2007. In 1998 China replaced the United States as the largest seafood exporter to Japan.

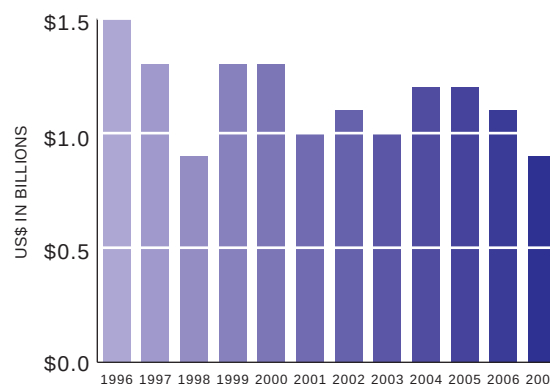
Japan remains a highly valued trading partner and the leading export market for Alaska's seafood exports. While the value of direct seafood exports to Japan have decreased in the face of rising demand and price competition in European and U.S. markets, much Alaska seafood makes a stop elsewhere in Asia for either storage or additional processing before reaching Japan's markets.

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. Food safety concerns are increasingly important to consumers in Japan which imports 60 percent of its food.

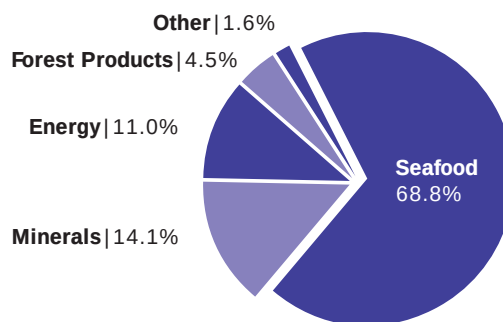
With the help of funding from USDA's Market Access Program, the Alaska Seafood Marketing Institute promotes Alaska seafood in Japan. For a copy of the USDA Foreign Agricultural Service's "Japan Fishery Products Annual Report 2007," please see <http://www.fas.usda.gov/gainfiles/200710/146292790.pdf>

Alaska's LNG exports to Japan were \$94 million in 2007. The Kenai LNG Plant in Nikiski, Alaska and the regasification facility in Negishi, Japan pioneered LNG marine transport in 1969. Alaska LNG export to Japan has been continuous since then. Governor Palin announced an agreement on January 3, 2008, between the State of Alaska and oil industry officials that to help ensure energy supplies and security for Alaska while supporting the Kenai LNG Plant's requested two-year extension of the federal export license. The agreement between the State and the owners of the LNG plant – Marathon Oil Corporation and ConocoPhillips

Alaska's Exports to Japan



Alaska's Exports to Japan | 2007



Japan remains Alaska's number one international seafood market. Pictured, Alaska cod at Tokyo's Tsukiji fish market, the world's largest seafood market. Photo courtesy of Kojiro Abe.



Pogo Gold Mine is a joint investment of Sumitomo Metal Mining Corporation and Teck Cominco. The mine employs more than 250 people. Photo courtesy of Sumitomo Metal Mining Corporation.

—ensures that there will be adequate supplies of natural gas to local utilities.

Alaska's 2007 total forest products exports to all countries decreased by 23.1 percent and was below \$100 million for the first time in recent decades. The value of Alaska's forest products export to Japan in 2007 was \$39 million, less than 20 percent of the value of these exports to Japan in the mid 1990's. Alaska's forest products resources on most privately held lands are reaching the end of their first rotation. Additionally, changes in management direction of national forest lands have reduced the available inventory on those lands. At the same time, competition in world markets for some segments of the forest products industry is strong.

Alaska's ties with Japan are historically strong, built on more than five decades of investment in the state. Foreign direct investment by Japanese companies has contributed significantly to Alaska's development of its natural resources. A recent example is investment by Sumitomo Metal Mining Corporation in Pogo Gold Mine in a partnership with Teck Cominco. Sumitomo reports initial capital expenditure at \$378 million over more than a decade of exploration, permitting, development and construction. The mine in interior Alaska currently employs more than 250 people.

The value of Alaska's export of zinc and lead ore to Japan was \$121 million in 2007, less than the \$151 million in 2006, but more than 75 percent from \$68 million in 2005.

International air cargo service from Japanese freighter operators is another significant link between Alaska and Japan. Both U.S. and Japanese airlines operate cargo flights via Anchorage International Airport. The flights not only connect Japan and Alaska but also provide cargo air service from Alaska to other Asian markets.

Three of the five Governor's North Star Awards for International Excellence for 2008 were presented to organizations with ties to Japan. Sumitomo Metal Mining Corporation received a North Star Award for foreign investment in Pogo Gold Mine in Interior Alaska. The Kenai LNG Plant received a North Star Award for export. The Anchorage School District Sand Lake Japanese Immersion Program won a North Star Award for education and cultural exchange.

The State of Alaska has maintained trade representation in Tokyo since 1965 when it became the first U.S. state to establish an office in Japan. Mr. Kojiro Abe is the state's long-time trade representative. The Government of Japan maintains a consulate in Anchorage headed by Consul Hideo Fujita.

For a copy of the US Commercial Service country commercial guide for Japan, please see <http://www.buyusa.gov/japan/en/ccg.html>



Japan is Alaska's second largest international visitor market. Japan Air Lines has steadily increased its passenger charters linking Japan and Fairbanks since beginning with three winter flights in 2004. The 2007/2008 winter saw 18 Japan Airlines flight bringing off-season visitors to Fairbanks. One of the primary Interior Alaska winter attractions for Japanese visitors is the exceptional aurora borealis viewing opportunity around Fairbanks. The carrier will also operate five summer charters in 2008.

CHINA

China's rapid economic growth continued with another year of double-digit growth — 11.4 percent in 2007. This is the first year that China has ranked as Alaska's second largest export market. China is the United States' second largest trading partner. The value of Alaska's exports to China grew 50.9 percent from \$474 million in 2006 to \$716 million in 2007, driven by increases in seafood, minerals, and energy.

Alaska's seafood exports to China have steadily increased each year for the past five years, reaching \$411 million in 2007, an increase of 27.1 percent. Around the beginning of the decade, the value of the state's seafood exports to China was \$50 to \$75 million per year.

This large increase in Alaska seafood export to China reflects two things. First, as China's urban consumers have become increasingly affluent, opportunities for Alaska's seafood in China's domestic markets continue to grow. Alaska seafood is now available in retail markets in more than a dozen cities in China. Also, China plays a role in reprocessing Alaska seafood for re-export to U.S., European and Asian markets—this is introducing an increased variety of product forms to international markets.

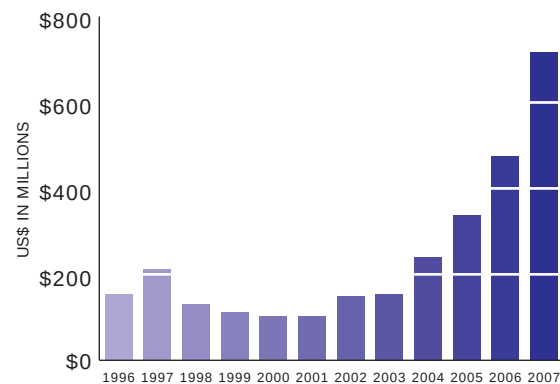
The Alaska Seafood Marketing Institute has marketing representatives based in China as well as Japan and the European Union. All of these markets have generated a significant overall increase in the state's seafood exports in the past decade. Improvements in processing technology and quality assurance, an increase in the number of product forms, and strong promotional efforts by the State of Alaska have increased the value of the harvest.

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>

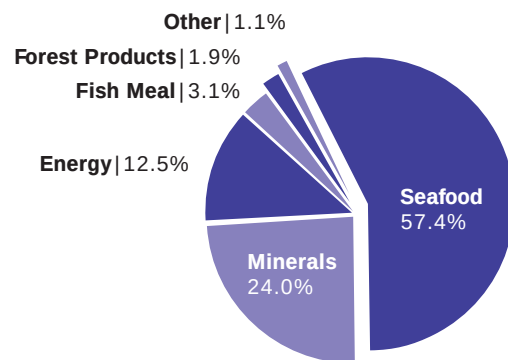
For a copy of the USDA Foreign Agricultural Service/Office of Global Analysis' Fiscal Year Trade Forecasts for Ag, Fishery & Solid Wood Products, see <http://www.fas.usda.gov/cmp/outlook/2008/Feb-08/Feb2108.pdf>

The state's forest products export to China increased in 2007 to \$13.8 million. Because China's log fumigation requirements are not practical or economic in Alaska's logging sites, the state's log producers meet the requirements in one of two ways. They are able to use China's log fumigation facilities upon arrival or Alaska logs bound for China may be treated in other countries with established log fumigation capabilities. The U.S. and Chinese bilateral agreement that allows these two solutions was the result of several years of work by Alaska's forest products industry and by state and federal officials in both countries.

Alaska's Exports to China



Alaska's Exports to China | 2007

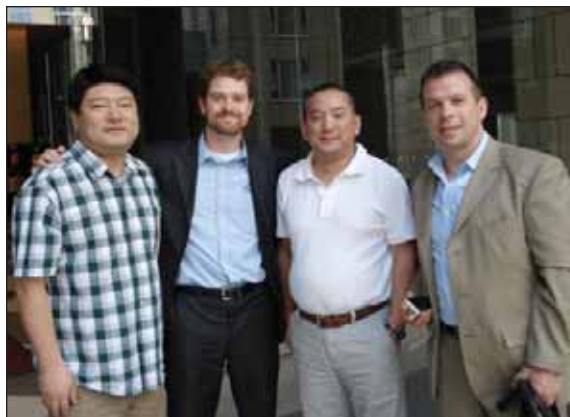


Opportunities for Alaska's seafood in China's domestic markets continue to grow. Alaska seafood is now available in retail markets in more than a dozen cities in China. Photo courtesy of Alaska Seafood Marketing Institute.

Alaska exported \$172 million worth of zinc and lead ore to China in 2007, more than triple the 2006 export value of \$54 million. Demand for minerals continues to grow at a rapid pace in China, reflecting its strong industrial sector growth. China has decreased its mineral import taxes in recent years and has been active in efforts to secure mineral supplies around the world. Rising zinc prices worldwide have significantly increased the value of Alaska's mineral exports in the past three years.

The State of Alaska hired trade representation in China in 2002. Former Alaskan Mr. Yingdi Wang serves as the part-time trade representative in Beijing.

For a copy of the U.S. Commercial Service country commercial guide for China, please see http://www.buyusainfo.net/docs/x_9980274.pdf



In 2006, the State of Alaska's trade representative in Beijing helped to organize the first visit to China by a representative from an Alaska visitor industry member association. The office continued to support visits, including attendance at the 2007 China Outbound Travel & Tourism Mart. Pictured, l to r, Ke Jun of China Travel International, Alaska Travel Industry Association representative Andrew Larsen, CGI general manager Bi Jianwen, and Anchorage Convention & Visitors' Bureau representative David Kasser.



Senior officials from the State of Alaska and the People's Republic of China met in June 2008 during a stopover at Anchorage International Airport. The meeting led by State of Alaska Commissioner Larry Hartig and Vice Premier Qishang Wang was originally scheduled as a 15-20 minute courtesy call, but expanded to nearly an hour-long discussion of Alaska seafood. Vice Premier Wang asked that the group picture be taken with the 77-pound salmon taxidermy owned by successful Alaskan fisherman Lowell Fair. Pictured, l to r, PRC Minister of Commerce Deming Chen, State of Alaska Director of International Trade Kris Perry, ASMI Director Ray Riutta, PRC Vice Premier Qishan Wang, State of Alaska Commissioner of Environmental Conservation Larry Hartig, State of Alaska Commissioner of Commerce Emil Notti, and PRC Minister of Environmental Protection Shengxian Zhou. Photo courtesy of the Airport.

KOREA

Alaska's exports to Korea were \$703 million, down from \$726 million in 2006. Korea is Alaska's third largest export market and the United States' seventh largest trading partner. Over the past five years, Alaska's exports to Korea have topped the half-billion mark, driven primarily by the rising volume and value of ore exports. For the first time, the value of the state's 2007 mineral exports to Korea exceeded the value of its seafood exports.

Korea's GDP grew 5.0 percent in 2007. The Korean economy has expanded solidly for each of the past three years and per capita income has reached \$20,000 for the first time.

The value of Alaska's zinc and lead ore exports to Korea jumped 65.3 percent in 2007 to \$186 million. World zinc prices have risen significantly in the past few years and Korea imports almost all of the minerals it requires for its strong industrial and manufacturing base.

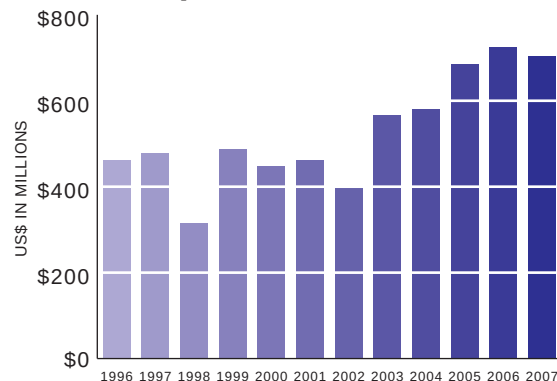
Alaska's 2007 seafood exports to Korea reached \$308 million, compared to \$356 million in 2006. Korea is a broker of Alaska seafood to other countries. An estimated half of the seafood exports to Korea remain in port zones for re-export later. Korea's major port at Busan is playing a role in Alaska Pollock roe grading. For a copy of the USDA Foreign Agricultural Service's 2007 annual report on Korea and fishery products, please see <http://www.fas.usda.gov/gainfiles/200711/146292946.pdf>

For more than ten years, Korea has been the largest single market for Alaska's fertilizer export. Fertilizer export to Korea in 2007 totaled \$46 million. Constraints of Cook Inlet natural gas resulted in the closure of the Agrium fertilizer plant in 2007.

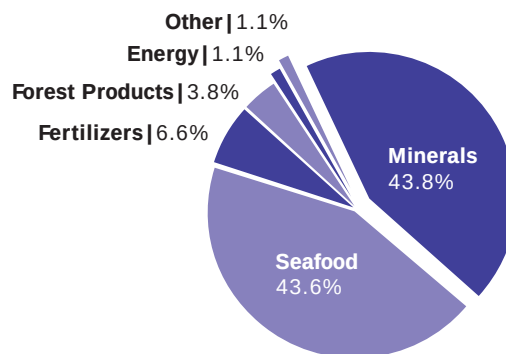
Alaska's forest products exports to Korea were \$27 million, about a third of the state's 2007 total forest products exports.

The ongoing national discussion about the admittance of Korea to the U.S. Visa Waiver Program is of significant potential importance to the Alaska visitor industry. For a copy of the 2008 U.S. Commercial Service country commercial guide for Korea, please see http://www.buyusainfo.net/docs/x_3151071.pdf.

Alaska's Exports to Korea



Alaska's Exports to Korea | 2007



In August 2007, the government of the Republic of Korea announced the re-establishment of a consulate in Anchorage headed by Consul Hee Chul Kim. Pictured in Fairbanks, l to r, Consul Kim, Consul General of Korea in Seattle Chanhon Kwon, and administrator Joonhee Lee.

Alaska's 2007 exports to Germany were the second highest ever at \$202 million, down from the record \$242 million in 2006.

In the past ten years, the value of Alaska's seafood exports to Germany has increased more than tenfold. In 2007 seafood exports totaled \$177 million. German consumers are well educated about health and environmental issues. The consumers not only like Alaska's wild and natural seafood but also find value in the sustainability of the state's fisheries and in food traceability. The popularity of white fish – Pollock, cod, halibut, sole and black cod – continues. Germany's custom smokers continue to produce a variety of high-end smoked salmon.

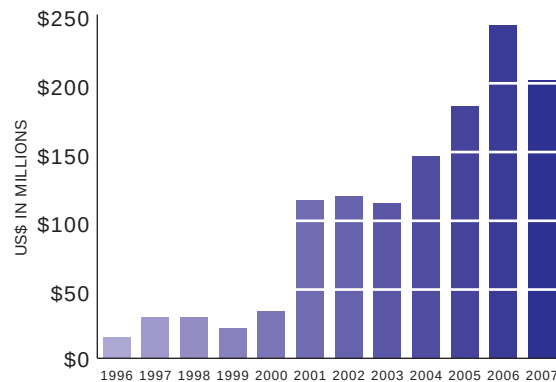
In 2007, Alaska's mineral exports of zinc to Germany were \$23 million, compared to \$35 million in 2006 and \$11 million in 2005.

German-speaking Europeans comprise one of Alaska's largest independent international visitor markets outside of North America, estimated at 35,000 visitors per year and growing. Since 1993, Condor Airlines has operated seasonal passenger charters to Alaska each summer. From May to early October 2007, the airline operated three weekly flights to Anchorage and one weekly flight to Fairbanks.

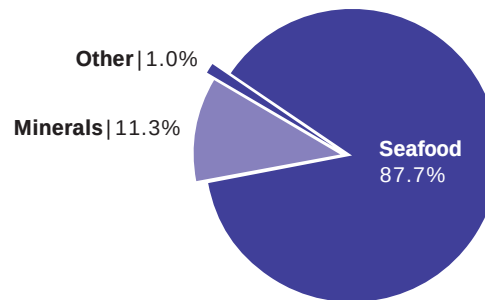
For a copy of the USDA Foreign Agricultural Service's 2006 annual report on Germany and fishery products, please see <http://www.fas.usda.gov/gainfiles/200610/146249121.pdf>

For a copy of the most recent U.S. Commercial Service country commercial guide for Germany, please see http://www.buyusainfo.net/docs/x_9529055.pdf

Alaska's Exports to Germany



Alaska's Exports to Germany | 2007



Condor Airlines has operated seasonal summer passenger charters from Frankfurt to Alaska since 1994. The opening of the new Fairbanks International Airport passenger terminal—which sees mostly domestic traffic – also provides customs and immigration clearance in a more efficient and comfortable manner. To celebrate the opening of the new terminal, the Airport fire trucks provided a water arc welcome for Condor's first 2008 arrival.

CANADA

Alaska exported \$460 million in minerals, seafood, and energy to Canada in 2007. The economic ties between Canada and Alaska are strong. Canadian mining companies contribute significantly to development of Alaska's mineral resources. Canada is Alaska's fourth largest export market and the United States' largest trading partner.

Canadian mining companies continue to invest heavily in Alaska — \$3 billion over the past 25 years. Canada was the single largest buyer of Alaska zinc and ore concentrate in 2007 and has bought the most Alaska zinc of any country. The total value of Alaska's exports of zinc and lead ore to Canada in 2007 was \$317 million, tripled from two years ago due to the high rate of increase in zinc prices.

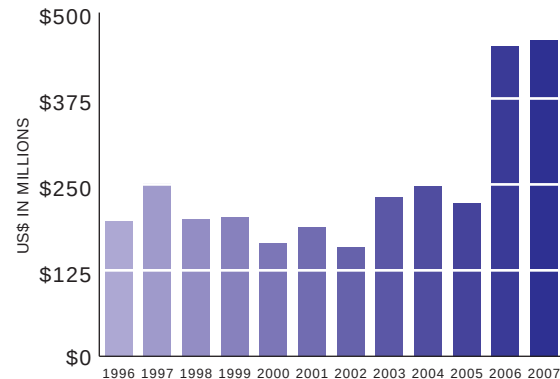
Alaska is home to the world's largest producer of zinc concentrate, Red Dog Mine. Owned and operated by Teck Cominco, under a development agreement with NANA Regional Corporation, Inc., an Alaska native corporation, the mine is located in the DeLong Mountains of Alaska's Brooks Range, approximately 90 miles north of Kotzebue. The Alaska Industrial Development & Export Authority helped to finance the DeLong Mountain Regional Transportation System (DMTS) road linking the mine to the port and the port itself. The mine provides around 500 jobs. During the 116-day shipping season in 2007, a record 1.5 million wet metric tons of zinc and lead ore concentrates were loaded onto ore ships headed for smelters in Asia and Europe.

Seafood exports were \$82 million in 2007 compared to \$69 million in 2006 while energy exports increased 42.8 percent to \$27 million.

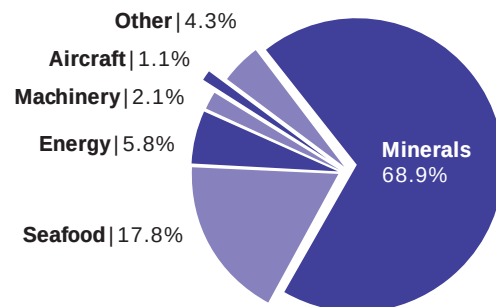
During 2007, the government of Canada actively consulted with the U.S. government and with state governments, including Alaska, on the complexity of new passport requirements mandated by the Western Hemisphere Travel Initiative (WHTI). The Alaska/Canada border is the single longest border between any U.S. State and Canada and there are high volumes of air, sea, and land cross-border traffic.

Governor Palin and Yukon Premier Dennis Fentie renewed the Alaska-Yukon Intergovernmental Accord in March 2008. For more than ten years, the accord has provided a cooperative framework for Alaska and Yukon on tourism, transportation and trade and commerce initiatives. The renewed accord added climate change, wildlife management, economic development and infrastructure as additional opportunities for exchange.

Alaska's Exports to Canada



Alaska's Exports to Canada | 2007



Communications with Canadian officials continue throughout the year. Kevin Banks and Nan Thompson, members of the Governor's Alaska gas pipeline team, briefed senior Canadian officials at Anchorage International Airport during a transit stopover in July 2008. The Canadian officials were returning from the G8 meeting in Japan. Pictured, l to r, Shelley James, Governor's Office of International Trade; Nan Thompson, Petroleum Lands Manager, Division of Oil & Gas; Kevin Banks, Director, Division of Oil & Gas; Leonard Edwards, Deputy Minister, Canadian Ministry of Foreign Affairs & International Trade; Mark Cameron, Director of Policy, Office of the Prime Minister of Canada.

The Consulate of Canada in Alaska published an economic impact study in 2005 and updated it in 2007. The study details the benefits of Canadian trade, investment and tourism in Alaska at: http://geo.international.gc.ca/can-am/anchorage/right_nav/canada's_impact_on_alaska_07-en.asp

The Government of Canada maintains a consulate in Anchorage headed by Consul Karen Matthias.



Yukon Premier Dennis Fentie and Governor Sarah Palin meet several times annually to discuss Alaska-Yukon issues and developments. In February 2008, the Premier and Governor met to formally renew the Alaska-Yukon Intergovernmental Relations Accord.

Mining

Total Canadian investment in Alaska mining industry exploration and development, 1981–2006	\$3.0 billion
Number of Canadian mining and exploration companies operating in Alaska, 2006	34 companies
Percentage of Alaska's total mining industry exploration and development expenditures by Canadian companies in 2006	73%

Tourism

Number of cruise visitors visiting both Canada and Alaska, 2006	959,000
Number of people crossing Alaska/Canada highway borders October 2005–September 2006	368,000
Number of Canadian visitors to Alaska, Summer 2006	98,000
Spending by Canadian visitors in Alaska, Summer 2006	\$77.1 million

Trade

Alaska's exports to Canada, 2006	\$438 million
Alaska's imports from Canada, 2006	\$437 million
Alaska's exports by Canadian mining companies, 2006 (excluding mineral exports to Canada)	\$770 million
Total Canada-related trade value	\$1.6 billion

Direct Employment and Payroll

Average annual employment in Alaska by Canadian companies, 2006	3,100
Estimated Alaska payroll for Canadian companies, 2006	\$165 million

Total Economic Impact (Including Direct and Indirect Impact)

Total employment attributable to Canadian economic activity in Alaska, 2006	8,000
Total payroll attributable to Canadian economic activity in Alaska, 2006	\$345 million
Total Alaska employment attributable to Canadian-U.S. trading relationship, 2005*	19,300

Note: Dollar figures are in US currency.

* U.S.-Canadian Trade and U.S. State-Level Production and Employment, Laura Baughman and Joseph Francois, 2005 Update.

www.international.gc.ca/eet/research/TPR_2006/Chapter_6_Baughman_Francois-en.pdf

EUROPEAN UNION, SWITZERLAND, AND NORWAY

The value of Alaska's total exports to the European Union has grown from \$232 million ten years ago to \$762 million in 2007. The ten-year trend has tripled values of export to Europe, powered by diversification of markets for Alaska's seafood, the increasing value of minerals like zinc and gold, and the establishment of Fort Knox gold mine operations in Interior Alaska.

During the ten-year period, seafood exports to the EU increased from \$41 million to \$473 million and mineral export values grew from \$152 million to \$263 million.

Two European countries that are not EU members are top 20 countries for Alaska exports: Switzerland and Norway. Almost all of Alaska's gold goes to one non-EU member in Europe, Switzerland. The state's exports of gold to Switzerland in 2007 were \$132 million. Alaska's exports to Norway—primarily cod—were \$20 million in 2007.

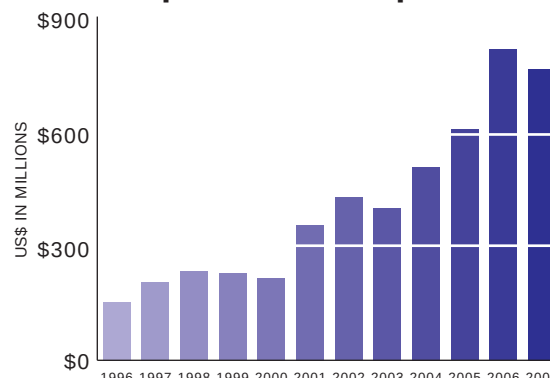
Highly educated European consumers appreciate the wild nature of Alaska's seafood as well as the sustainability of its fisheries. These consumer priorities have driven increases in Alaska seafood exports to the EU in the past ten years. Germany and The Netherlands are major points of entry for the growing amount of Alaskan seafood exported across Europe.

Alaska salmon strips took one of the two top Prix d'Elite awards for best new retail product at the 2008 show in Brussels. The award-winning strips, called Bear Biter, are dry-salted, cold-smoked and marinated in a variety of innovative flavors by a German company, Stührk Delikatessen Import. The Alaska Seafood Marketing Institute has promoted Alaska's wild and natural seafood at the world's largest seafood event, the European Seafood Exposition (ESE), for more than 15 years. Alaska seafood companies participating in the Alaska Pavilion at ESE in 2008 were: Trident Seafoods, Ocean Beauty Seafoods, Palomino Foods, EE Foods, Northern Keta Caviar, Pacific Seafoods, Peter Pan Seafoods, Intersea, Snopac Products, and Icy Strait Seafoods. In addition, more than a dozen other Alaska companies without their own booths met clients at the ASMI booth, including Silver Bay Seafoods and newcomers 10th & M Seafoods and Kwik'Pak. Alaska companies reported \$31 million in onsite sales and \$125 in projected sales.

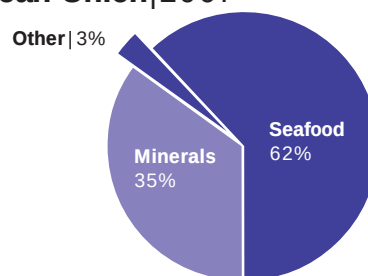
The value of Alaska's ore exports worldwide continues to grow, driven by high prices for both zinc and gold around the world. However, European Union smelters, which have traditionally accounted for around half the value of Alaska's zinc and lead ore exports, took \$263 million of the \$1.2 billion total ore exports in 2007.

For a copy of the USDA Foreign Agricultural Service's most recent annual report on EU fishery products policy and statistics, please see <http://www.fas.usda.gov/gainfiles/200701/146280014.pdf>

Alaska's Exports to the European Union

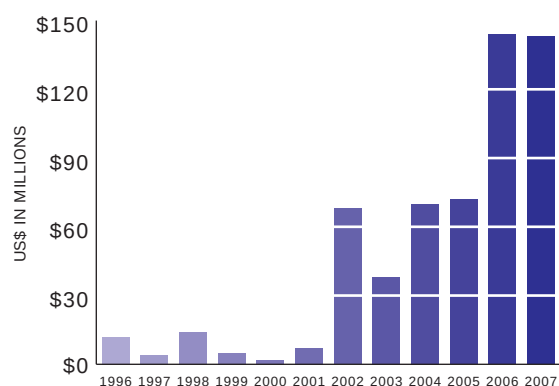


Alaska's Exports to the European Union|2007

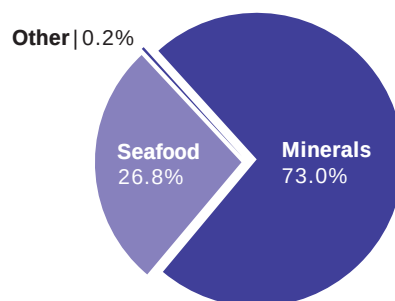


The Alaska Seafood Marketing Institute organizes the exhibit at the European Seafood Exposition to group Alaska seafood suppliers together for maximum impact. Participating companies range from large producers—Trident, Peter Pan and Ocean Beauty for example—to small 'niche' producers like Rose Fisheries and Northern Keta Caviar. The Alaska pavilion also includes an ASMI exhibit promoting the full range of Alaska seafood products, distributing literature and the ASMI Directory of Alaska Seafood Suppliers. Photo courtesy of ASMI.

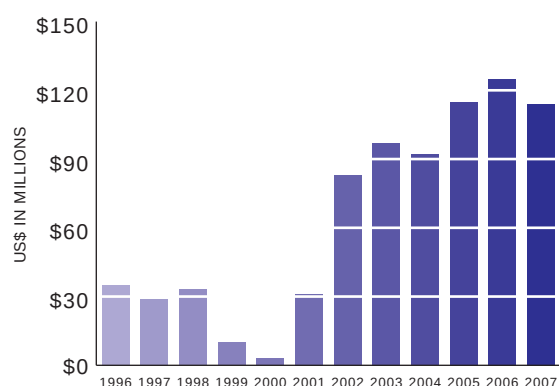
Alaska's Exports to Spain



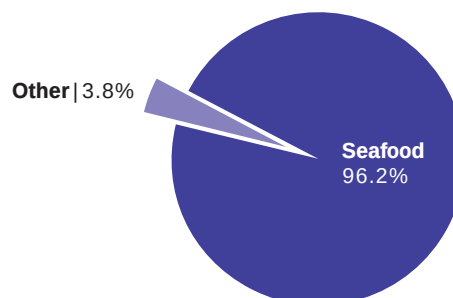
Alaska's Exports to Spain | 2007



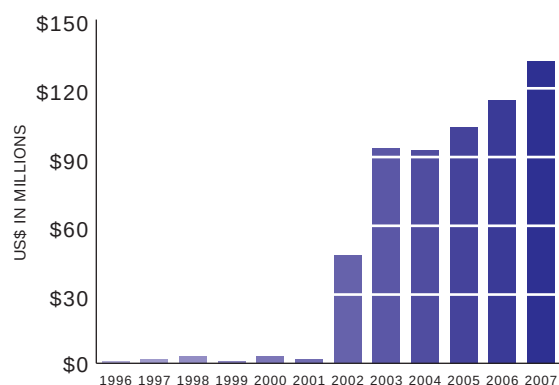
Alaska's Exports to the Netherlands



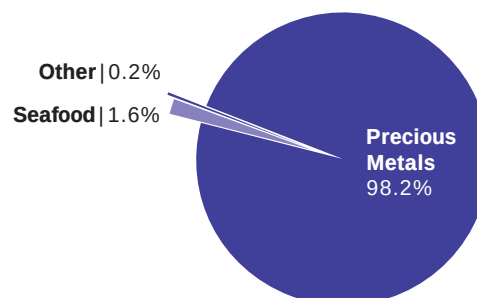
Alaska's Exports to the Netherlands | 2007



Alaska's Exports to Switzerland



Alaska's Exports to Switzerland | 2007



RUSSIA

The value of Alaska's exports to Russia has increased every year since 2001. In 2007, exports were \$14 million, primarily seafood. Exports of machinery totaled \$2.6 million in 2007. Natural resource development in the Russian Far East creates opportunity for Alaska to be used as a staging area for shipments from the U.S. and Canada.

Seafood exports have grown steadily over the past five years to \$9.4 million in 2007, an increase of 35.8 percent over 2006. Export of goods is only one part of commerce between Alaska and Russia. Alaska's technical service companies have opportunities in the Russian Far East to provide expertise to oil, gas, and mineral development projects.

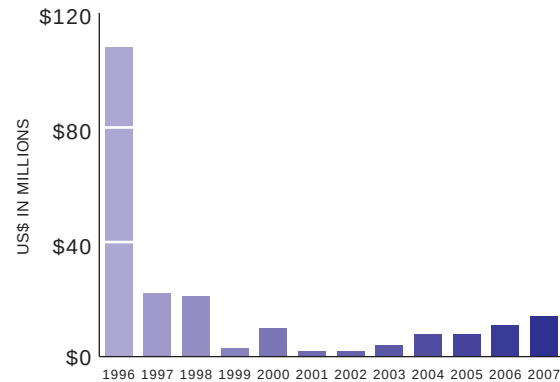
Interest by Russian officials in Alaska's economic development models is strong. In recent years, numerous Russian delegations have visited Alaska to discuss a broad range of issues – the Alaska Permanent Fund, the Alaska Native Claims Settlement Act, the structure of Alaska native corporations, and the state's natural resource development. The delegations included the Russian President's Representative to the Russian Far East, the Russian State Duma's Committee for Issues of the North and Far East, the Council of Federation's Committee on Northern Territories and Indigenous Minorities, and more than ten Governors and ten parliament leaders of provinces of the Russian Far East as well as numerous mayors.

Since 1992, the US 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. 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.

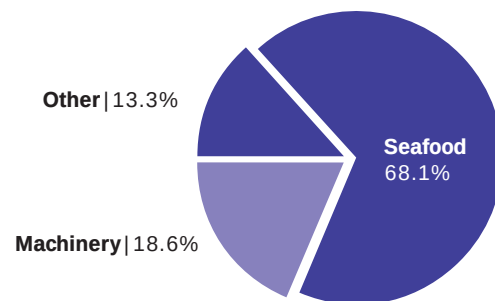
Exchanges between Alaska and Russia include scientific, cultural and educational exchange. The National Park Service administers a program to celebrate the shared Beringia heritage between Alaska and Chukotka and to promote research and cultural development. NPS continues work towards establishment of a Beringian Heritage International Park. For more information, see <http://www.nps.gov/akso/beringia/index.htm>

The Aleut International Association won a Governor's North Star Award for International Excellence in Scientific Exchange in 2008. Aleut International Association was established in 1998 between the Aleutian Pribilof Island Association in Alaska and the Association of the Indigenous Peoples of the North of the Aleut District of Kamchatka Region. The Association is a permanent participant of the Arctic Council. Working with the University of Alaska, the Association organized the research, production, and publication of the first annotated bibliography of Aleut/Unangax ethnobotany. The Association's international accomplishments also include a North Pacific

Alaska's Exports to Russia



Alaska's Exports to Russia | 2007



The Aleut International Association was established in 1998 between the Aleutian Pribilof Island Association in Alaska and the Association of the Indigenous Peoples of the North of the Aleut District of Kamchatka Region. The Association has won a Governor's North Star Award for International Excellence in scientific exchange. Pictured, Victoria Gofman, AIA's executive director interviews Koryak Elder Vasiliy Tynakyav in Tymlat, Russia for the Association's Bering Sea Sub-Network project.

Research Board-funded study on shellfish harvesting safe practices that link modern technology and traditional knowledge. The Association designed and administers a National Science Foundation international project that provides community-based observations of the Bering Sea to the Arctic Observing Network. Victoria Gofman is the Association's executive director and the principle investigator for the Bering Sea Sub-Network.

The U.S. Consul General in Vladivostok, Mr. John Mark Pommerheim, visited Anchorage, Juneau and Sitka in 2007 and met with state and federal officials and local community leaders on aviation and transportation links, city planning exchanges, education, parks, and energy. Mr. Thomas Armbruster is the newly appointed U.S. Consul General in Vladivostok. The Consulate General of the Russian Federation in Seattle covers territory including Alaska. The Consul General is Yuri Valentinovich Gerasin.



The largest province in Russia and in the world, The Sakha Republic, sent a delegation of their top aviation officials to Alaska in 2007 to gain a better understanding of the state's aviation system for design, construction, maintenance and operations of airports in rural Alaska. Pictured, l to r, Korinna Sergeeva, Ron Stroman, Sergey Larionov, Alaska DOTPF Commissioner Leo Von Scheben, Oleg A. Rogalev, and Anatoly N. Pavlov.



In 2007, Vladivostok Air began researching market opportunities for passenger service between points in the Russian Far East and Anchorage. Pictured, Vladivostok Air aircraft on the ground at Ted Stevens Anchorage International Airport on the day of inaugural service, July 7, 2008. Photo courtesy of Airport.

GOVERNOR PALIN HONORS INTERNATIONAL EXCELLENCE IN ALASKA



Pogo Gold Mine represents hundreds of millions of dollars in foreign investment in Alaska.



The Kenai LNG Plant, a joint operation of ConocoPhillips and Marathon Oil Company. Photo courtesy of ConocoPhillips.

Governor Sarah Palin presented companies, international organizations and an elementary school with the first Governor's North Star Awards for International Excellence at the May 27, 2008 Export Alaska luncheon in Anchorage attended by more than 350 Alaskans.

"We can take pride of our state's international work. Whether it's in the area of trade, foreign investment, education and cultural exchange or scientific exchanges—Alaskans effectively promote positive international relations. It's a privilege to honor this diverse group of businesses and organizations," said Governor Palin. "I'm especially pleased to honor an elementary school—Sand Lake Elementary in Anchorage—for their 19 successful years of the Japanese Immersion Program. They are helping prepare students for the international world we all live in today."

The five winners and their areas of accomplishments are the Kenai LNG Plant for export, the Aleut International Association for scientific exchange, the Institute of the North for transportation advancement, Sumitomo Metal Mining Corporation for foreign investment in Alaska, and the Sand Lake Elementary School in Anchorage for education and cultural exchange.

The Kenai LNG plant, owned 70% by ConocoPhillips and 30% by Marathon Oil Company, has been an integral part of the natural gas industry in Cook Inlet for almost 40 years. When the plant began operations in 1969 with LNG technology invented by ConocoPhillips, it was the largest LNG manufacturing facility in the world and utilized the largest LNG tankers in the world. The

Alaska operation established the market for LNG in Japan. The plant's continuous operation over the last 39 years has brought high paying jobs to south-central Alaska. Ongoing investments in the plant and in the natural gas fields have helped to provide both the feed gas to the facility and to utilities serving south-central Alaska. Mr. Lindsey Clark, Cook Inlet Operations Manager, ConocoPhillips, and Mr. Mitch Little, Alaska Production Manager, Marathon, accepted the award.

The Aleut International Association was established in 1998 between the Aleutian Pribilof Island Association in Alaska and the Association of the Indigenous Peoples of the North of the Aleut District of Kamchatka Region. The Association is a permanent participant of the Arctic Council. Working with the University of Alaska, the Association organized the research, production, and publication of the first annotated bibliography of Aleut/Unangax ethnobotany. The Association's international accomplishments also include a North Pacific Research Board-funded study on shellfish harvesting safe practices that link modern technology and traditional knowledge. The Association designed and administers a National Science Foundation international project that provides community-based observations of the Bering Sea to the Arctic Observing Network. Victoria Gofman is the Association's executive director and the principle investigator for the Bering Sea Sub-Network and accepted the award.

Institute of the North has brought together Arctic experts at international conferences in Alaska, Russia, Canada and the United

Kingdom to advance circumpolar transportation and telecommunications. A 2006 analysis indicated that Anchorage is uniquely positioned to provide expanded air service to the Russian Far East from the U.S. and Canada. Vladivostok Air officials said the study was used in their determination to begin direct flights between Petropavlovsk-Kamchatsky and Anchorage this July. The Institute also facilitated the first international digital weather camera demonstration project. A camera was installed in a critical mountain pass flyway near the Alaska-British Columbia border linked to an international weather kiosk at Whitehorse Airport in The Yukon. This project allows pilots to make crucial go/no go decisions that save lives. Ben Ellis is the Institute's executive director and accepted the award.

Sumitomo Metal Mining Co., Ltd., in partnership with Teck Cominco, has established the Pogo Gold Mine in interior Alaska. The initial capital expenditure was \$378 million. This international investment in Alaska has occurred over more than a decade of exploration, permitting, development, and construction. The mine made its first gold pour in February 2006 and commercial operations began shortly after that. The mine provides over 250 jobs

year-round. Makuto Umedera is President of Sumitomo Metal Mining Pogo LLC and accepted the award.

The Sand Lake Elementary School Japanese Immersion Program educates students in kindergarten through high school. The program provides language skills and cultural understanding in students' formative years and will celebrate its 20th anniversary in the 2008-2009 school year. The program is also in its 13th year of cultural exchanges with Chitose Elementary School in Hokkaido, Japan. Sand Lake students travel to Chitose and spend several days living with a Japanese family and participating in events at Chitose Elementary. In return, Chitose students and adults then travel to Anchorage and are hosted by Sand Lake School and families. In addition, an innovative intern program brings eight to ten teachers from Japan to Anchorage each year who are mentored by the Sand Lake immersion teachers. The interns have the positive effect of doubling and tripling students' exposure to the Japanese language. Patrick Garrity is the principal at Sand Lake Elementary School and accepted the award with a student, Yukina Lofthouse.



Leonard Kirk of University of Alaska Anchorage and translator Marina Bell observe a Capstone equipment demonstration by Alaska pilot Lee Ryan to Vladislav Klementyev of Khanty-Mansiysk, Russia at the 2006 Arctic Aviation Experts Conference. Hosted by the Institute of the North in Winnipeg, Manitoba, this unique conference brought together aviation professionals from six nations with the common goal of improving Arctic aviation.



Governor Palin presented the Governor's North Star Award for International Excellence in education and cultural exchange to principal Patrick Garrity and student Yukina Lofthouse from the Sand Lake Elementary School Japanese Immersion Program in Anchorage.

INTERNATIONAL TRANSPORTATION



International air cargo activity at Ted Stevens Anchorage International Airport

International Aviation

In 2007, cargo traffic at Ted Stevens Anchorage International Airport grew 4.2 percent. Currently, 40 foreign and domestic airlines operate in Anchorage, transporting 6.3 billion pounds of cargo each year. Most of the international air cargo operators have the authority to pick up or drop off international freight from or to the Alaska market.

In 2004, the U.S. and China reached an agreement on expanded access to the China market. Today, four U.S. carriers – FedEx, UPS, Northwest and Polar – and five Chinese carriers – Air China, China Southern, China Cargo, Shanghai Airlines Cargo, and Yangtze River Express – operate through Anchorage to China. Cargo service from China to the U.S. now accounts for nearly 35% of all international cargo traffic at Anchorage.

Activity at the Airport creates one in eight jobs in Anchorage, many of them in international cargo operations. Annual payroll derived from airport jobs now totals \$850 million.

Alaska also enjoys nonstop year-round international passenger service to Taipei on China Airlines; seasonal nonstop passenger service to Frankfurt on Condor German Airlines, and seasonal service to Vancouver on Alaska Airlines and Air Canada. In 2007 Vladivostok Air began preparations for 2008 summer service linking Anchorage, Petropavlovsk and Vladivostok.

U.S. legislation, unique to Alaska, allows foreign and domestic carriers to expand international cargo transfer operations at Anchorage's airport. Northwest and Korean Air Cargo were the first carriers to initiate 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, Japan Airlines, Polar, and ABX.

For the fourth consecutive year, Anchorage International Airport was awarded Air Cargo World's 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.

Phase I of the Fairbanks International Airport Terminal Area Development Project, the new Terminal Addition, opened to the traveling public May 7, 2008. The new terminal features Alaska Airlines "two-step" check as well as six USC&BP international processing stations and a large hold area for international passengers that are able to accommodate flights of 300+ passengers with ease. With these improvements efficiency and customer service have been dramatically improved. The 2007/2008 season brought in 18 flights from Japan Airlines, well over 5,500 visitors and Condor has extended their season running direct service to Frankfurt from Mid-May through September.

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 export moves from a tidewater terminal 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	Darwin, Australia
	Whitby, England
	Chitose, Japan
	Incheon, Korea
	Tromso, Norway
	Magadan, Russia
Barrow	Ushuaia, Argentina
	Inuvik, Northwest Territories
Fairbanks	Fanand, Italy
	Erdenet, Mongolia
	Tainan City, Taiwan
Fairbanks North Star Borough	Mombetsu City, Japan
	Yakutsk, Russia
Girdwood	Myoko-Kogen, Japan
Homer	Teshio, Japan
	Yelisovo, Russia

Juneau	Whitehorse, Canada
	Mishan City, Heilongjiang, China
	Camiling, Philippines
	Lenin District, Vladivostok, Russia
	Chia-Yi Township, Taiwan
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



Consuls general, consuls and other representatives traveled to Fairbanks in March 2008 to attend Alaska Fur & Ice. Canada, Egypt, Finland, Germany, Hungary, Indonesia, Israel, Italy, Japan, Korea, Norway, The Philippines, Poland, The Slovak Republic, South Africa, and Taiwan were represented. Pictured in front of The Museum of the North located at the University of Alaska Fairbanks.

CONSULATES

Consular Office of Japan

Consul Hideo Fujita
3601 C Street, Suite 1300
Anchorage, AK 99503
Telephone (907) 562-8424 | Fax (907) 562-8434
www.anchorage.us.emb-japan.go.jp

Consulate of Canada

Consul Karen Matthias
310 K Street, Suite 220
Anchorage, AK 99501
Telephone (907) 264-6734 | Fax (907) 264-6713
www.anchorage.gc.ca

Consular Office of the Republic of Korea

Consul Hee Chul Kim
800 E. Dimond Boulevard., Suite 3-695
Anchorage, AK 99515
Telephone (907) 339-7955 | Fax (907) 360-1550

Consulate of Mexico

Consul Jose Luis Cuevas
Consulate of Mexico
610 C Street
Anchorage, AK 99501

HONORARY CONSULS

Austria

Honorary Consul Walter J. Hickel Jr.
Consulate of Austria
939 West 5th Avenue
Anchorage, AK 99501
Telephone (907) 276-6000 ext 2253 | Fax (907) 343-2211

Czech Republic

Honorary Consul Frank Nosek
Consulate of the Czech Republic
810 N Street, Suite 100
Anchorage, AK 99501
Telephone (907) 247-2602 | Fax (907) 258-2001

Denmark

Honorary Consul Grant Callow
Royal Danish Consulate
425 G Street
Anchorage, AK 99501
Telephone (907) 261-7600 | Fax (907) 261-7670

Finland

Honorary Consul Wayne A. Stolt
Consulate of Finland
1529 P Street
Anchorage, AK 99501-4923
Telephone (907) 274-6607 | Fax (907) 222-6072

**France Consul information
update pending**

Germany

Honorary Consul Bernd C. Guetschow
Consulate of the Federal Republic of Germany
425 G Street, Suite 650
Anchorage, AK 99501
Telephone (907) 274-6537 | Fax (907) 274-8798

Great Britain

Honorary Consul Dr. Diddy Hitchins
British Honorary Consulate
UAA Dept. of Political Science
3211 Providence Drive
Anchorage, AK 99508
Telephone (907) 786-4848 | aFax (907) 786-4647

Iceland

Honorary Consul Bjartmar Sveinbjornsson
9550 Midden Way
Anchorage, AK 99507
Telephone (907) 786-1366 | Fax (907) 786-4607

Norway

Honorary Consul Erling Trygve Johansen
Royal Norwegian Consulate
310 K St., Suite 200
Anchorage, AK 99501
Telephone (907) 375-5565

Poland

Honorary Consul Stan Borucki
7550 Old Seward Highway, Suite 101
Anchorage, AK 99518
Telephone (907) 344-4722 | Fax (907) 344-7525

Russian Federation

Honorary Consul General Steve Smirnoff
Consulate of the Russian Federation
3581 Kachemak Circle
Anchorage, AK 99515
Telephone (907) 349-5481 | Fax (907) 522-1489

Seychelles

Honorary Consul Harold Green
Republic of Seychelles
P.O. Box 111909
Anchorage, AK 99511
Telephone (907) 244-5375 | Fax (907) 345-5607

Spain

Honorary Consul Robert Gonzales
1200 I Street, #407
Anchorage, AK 99501
Telephone (907) 265-2481 | Fax (907) 265-2439

Sweden

Honorary Consul Edward Rasmuson
Consulate of Sweden
MAC K3212-051
P.O. Box 196127
Anchorage, AK 99519-6127
Telephone (907) 265-2927 | Fax (907) 265-2068



In October 2007, the President of Iceland, His Excellency Ólafur Ragnar Grímsson, led a delegation to Alaska to share Iceland's geothermal expertise and experience. Pictured, l to r, Lt. Governor Sean Parnell, Governor Sarah Palin with President Grímsson at the Arctic Energy Summit in Anchorage.



Patricia Eckert, Trade Specialist
Patricia.Eckert@alaska.gov

**Kris Perry, Director of International Trade
and Director of the Office of the Governor**

550 West 7th Avenue, Suite 1700
Anchorage, AK 99501
(907) 269-7450

Shelley James, Trade Specialist
Shelley.James@alaska.gov

Photo above provided courtesy of Fairbanks International Airport.
Front cover photo provided by Alaska Seafood Marketing Institute.