Overview

With more than 96 percent of the world’s population and 75 percent of its purchasing power outside the United States, economic recovery, jobs, and future growth for Alaska and America will depend on trade and investment. That includes reaching those customers with American goods and services through exports and expanding buying power and options for American companies and families with imports.

New Business Roundtable research, U.S. government data, and other data sources demonstrate the benefits of international trade and investment to jobs and the economy in Alaska. As the United States and the world continue efforts to defeat the COVID-19 pandemic and create jobs and economic opportunity – restoring trade and supporting trade-dependent jobs can help Alaska recover as well.

Trade Creates & Supports Jobs in Alaska

- **International trade, including exports and imports, supported 92,700 Alaska jobs – one in five in 2019.** These trade-related jobs grew seven times faster than total employment from 1992 to 2019 and are at large and small companies, on farms, in factories, and at the headquarters of Alaska's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in Alaska. ([See Alaska Jobs Depend On Two-Way Trade](#))

- **Alaska exported $5.0 billion in goods and $2.1 billion in services in 2019**, including marine products, metal ores, oil and gas and air freight and port services. Of Alaska's 783 exporters, 75 percent are small- and medium-sized companies with less than 500 workers. ([See Alaska Businesses Grow With Exports](#))

- **Customers in 120 countries and territories buy Alaska-made goods and services**, including billions of dollars in annual exports to top markets like Korea, China and Japan. Alaska's exports have grown more than ten times faster than state GDP since 2010. Policies that help Alaska businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. ([See Alaska Companies Export Throughout The World](#))

- **Imports lower prices and increase choices for Alaska companies and families.** Lower raw material and input costs help Alaska companies stay competitive in global markets, while families can stretch paychecks further as trade agreements reduce the cost of products by eliminating costly barriers to trade. ([See Alaska Companies and Families Benefit from Imports](#))

- **Free trade agreements (FTAs) have helped fuel rapid export growth from Alaska to partner countries.** In 2019, $2.1 billion of Alaska's goods exports, or 42 percent, went to FTA partners. This represents an increase of 111 percent since 2010. ([See Alaska Needs Trade Agreements To Grow](#))

- **Foreign-owned companies invest and build facilities and employ 17,400 workers in Alaska.** ([See Foreign Investment In Alaska Creates Jobs](#))

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www.brt.org/trade
Overview

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 96 percent of the world’s population and 75 percent of the world’s purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad. At the beginning of 2020, the COVID-19 global pandemic dramatically decreased trade, disrupted communities and economies, and ended millions of jobs across America, including in Alaska. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs in Alaska and help it recover faster.

Trade Creates & Supports Jobs in Alaska

- Export growth increases jobs by generating new business for Alaska’s manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping Alaska businesses compete and saving Alaska families real dollars at the cash register.
- One in five Alaska jobs depends upon international trade.
- Alaska’s trade-related employment grew seven times faster than total employment from 1992 to 2019.
- Jobs in export-dependent industries pay about 16 percent more than jobs in less export-intensive industries.
- U.S. exporting plants increase employment 2 to 4 percent faster annually than plants that do not export. Exporting plants also are less likely to go out of business.
- Trade supports more than 28 million U.S. jobs that provide middle class incomes.

About Trade & Jobs

Trade-supported jobs are not just at companies that export and import. Trade supports higher wages for workers and lower costs for companies and consumers, providing them with more money to spend on other things. This spending supports additional jobs throughout the U.S. economy in sectors like entertainment, education and construction not typically associated with “exports and imports.”

By the Numbers

92,700
Number of Jobs in Alaska
Supported by Trade

Share of Jobs Tied to Trade
Increased 148 percent from 1992 to 2019

<table>
<thead>
<tr>
<th>1992</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
Top Sectors, 2019

- Personal and recreational services: 18,000
- Business and professional services: 13,700
- Education and health services: 12,900
- Wholesale and retail trade: 10,700
- Transportation and utilities: 7,100

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ALASKA BUSINESSES GROW WITH EXPORTS

Overview
Alaska exported an estimated $5.0 billion in goods and $2.1 billion in services in 2019. Between 2010 and 2019, Alaska goods exports have increased by 20 percent and services exports by 29 percent. Large companies now account for 46 percent of the value of Alaska's goods exports, with the rest provided by small- and medium-sized enterprises (SMEs).

Small & Large Employers Partner to Export
In addition to exporting directly themselves, thousands of American SMEs export indirectly when they sell goods and services to large U.S. exporters. Based on their direct and indirect export activity combined, SMEs represent more than 40 percent of the value of U.S. exports.

Top Alaska Exports
- Alaska ranks among the top 10 state exporters in 5 industries, including first in marine products ($2.4 billion), second in metal ores ($1.6 billion), fourth in timber and logs ($94 million) and prepared seafood products ($13 million), and 10th in oil and gas ($349 million).
- Alaska ranks among the top 15 state exporters of air freight and port services ($735 million), waste treatment and mining services ($48 million), and miscellaneous freight and port services ($60 million).
- One of Alaska's fastest growing export categories is pulp and paperboard mill products, which increased by nearly 1,800 percent since 2010. In 2019, exports of these products reached $6.5 million.

By the Numbers

783
Number of Alaska Businesses that Exported in 2018

74%
Share of Alaska Exporters that Are Small- & Medium-Sized Businesses

Top Alaska Exports, 2019
Goods
- Marine Products $2.4 billion
- Metal Ores $1.6 billion
- Oil & Gas $349 million
- Nonferrous Metal Products $271 million
- Petroleum & Coal Products $100 million

Services
- Air Freight & Port Services $734 million
- Passenger Fares $387 million
- Personal Travel & Tourism $316 million

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In 2019, Alaska companies sold their products in 120 countries and territories.

Top export markets include:

- **CANADA**
  - Goods Exports: $581 million
  - Services Exports: $124 million

- **CHINA**
  - Goods Exports: $855 million
  - Services Exports: $288 million

- **JAPAN**
  - Goods Exports: $679 million
  - Services Exports: $274 million

- **NETHERLANDS**
  - Goods Exports: $350 million
  - Services Exports: $24 million

- **KOREA**
  - Goods Exports: $1.1 billion
  - Services Exports: $221 million

- **AUSTRALIA**
  - Goods Exports: $354 million
  - Services Exports: $44 million

**Fast Facts: How Exports Help the Alaska Economy Grow**

- Goods and services exports accounted for 12.9 percent of Alaska's state GDP in 2019.
- Alaska's exports have grown more than ten times faster than state GDP since 2010. The average annual export growth during this period was 6.7 percent, while the average annual state GDP growth was 0.4 percent.
- Alaska's top export markets for goods are Korea, China, and Japan. Its top market for services is China.
- Alaska's goods exports to the Netherlands have grown by 16 percent per year since 2010, while Alaska's services exports to the Philippines have grown by 12 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help Alaska businesses, workers, and farmers reach the growing number of customers around the world.

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Overview

Imports provide a variety of benefit for Alaska companies and families. Imported consumer goods help keep prices down for Alaska families while increasing choices for foods and other products that are not available locally. Imported inputs help Alaska manufacturers compete in both the United States and international markets, while exported goods (e.g., components) and services (e.g., design) often return to the United States as imports. To best meet the COVID-19 challenges, trade policies should ensure that American families and businesses retain access to both domestic and international inputs, supplies and services they need at prices they can afford.

Alaska Families Benefit from Imports

- In 2019, 8 percent of Alaska's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving Alaska families more money to spend on locally provided goods and services, such as housing, education, and health care.
- Trade and investment liberalization policies save the average Alaska family of four more than $10,000 per year through lower prices and increased specialization.

2010-2019 Price Decrease

- -85% for Televisions
- -52% for Computers
- -51% for Toys

Most Importers are Small Businesses

- In 2019, 853 Alaska companies imported goods from 93 countries around the world.
- Nationally, 77 percent of importers were very small businesses with less than 20 employees, while less than 3 percent had over 500 employees.

Alaska Exports and Imports are Linked Through Global Value Chains

- In 2019, 92 percent of Alaska goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of Alaska's top imports are critical components for Alaska exports. Conversely, Alaska exports of raw materials and parts may return to the United States in imported finished goods.

Imports: Iron and steel pipes ($42M in 2019)
Exports: Crude oil ($350M in 2019)

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Overview
Trade with our free trade agreement (FTA) partner countries supports millions of American jobs. Trade agreements level the playing field by lowering other nations’ trade barriers, opening up foreign markets to U.S. exports and setting strong, enforceable rules for trade between the United States and those other countries. Alaska businesses, workers and farmers benefit from market-opening agreements, and would be harmed from new barriers to trade that limit exports, competitiveness, and jobs in Alaska and United States.

By the Numbers

Increase in Alaska Goods Exports to FTA Partners Between 2010 and 2019

Per Capita Purchases of Alaska Goods, 2019

$0.42
Non-FTA Countries

$4.39
FTA Partner Countries

In 2019, FTA partners purchased 10.3 times more goods per capita from Alaska than non-FTA partners.

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• In 2019, $2.1 billion of Alaska’s goods exports, or 42 percent, went to FTA partners.

• Since 2010, Alaska’s goods exports to countries with FTAs in effect with the United States in 2019 have increased by 111 percent.

• Alaska’s exports to Canada and Mexico have increased by $525 million (671 percent) since NAFTA went into effect in 1994.

• Alaska’s exports to Australia have increased by 1,457 percent – from $23 million to $354 million – since the FTA with Australia took effect in 2005.

• Alaska’s exports to Korea of marine products have increased from $288 million to $469 million since the FTA with Korea went into effect in 2012.

• Australia bought 89 percent – $240 million out of $271 million – of Alaska’s exports of nonferrous metal products in 2019.

• In 2019, $579 million of Alaska’s services exports, or 28 percent, went to FTA partners.

• Alaska’s exports to Korea of air freight and port services have increased from $129 million to $164 million, or by 27 percent, since 2011.
FOREIGN INVESTMENT IN ALASKA CREATES JOBS

Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2019, foreign-owned companies added over $1 trillion to U.S. GDP, including goods exports of $380 billion and R&D spending of over $60 billion. They employed 7.4 million workers in the United States, including 2 million workers – or 1 out of every 6 – in the manufacturing sector.

Alaska is no exception. Foreign-owned companies make significant investments in Alaska to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed about 17,000 workers in Alaska in 2019, including:

- 6,100 workers employed by companies based in Canada;
- 3,500 workers employed by companies based in the United Kingdom;
- 2,600 workers employed by companies based in Japan;
- 900 workers employed by companies based in France;
- 300 workers employed by companies based in Germany.

Selected Foreign-Owned Companies Employing Workers in Alaska

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Brands Group LLC</td>
<td>Bottled water production</td>
<td>Austria</td>
</tr>
<tr>
<td>Alaska General Seafoods</td>
<td>Seafood processing</td>
<td>Canada</td>
</tr>
<tr>
<td>Alaska Pacific Seafoods</td>
<td>Seafood processing</td>
<td>Japan</td>
</tr>
<tr>
<td>ASC Building Products</td>
<td>Steel building products manufacturing</td>
<td>Australia</td>
</tr>
<tr>
<td>Fairbanks Gold Mining Inc.</td>
<td>Seafood processing</td>
<td>Japan</td>
</tr>
<tr>
<td>Holiday Inn Express</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Welltec, Inc.</td>
<td>Oilfield services</td>
<td>Denmark</td>
</tr>
<tr>
<td>Wipro Limited</td>
<td>IT services</td>
<td>India</td>
</tr>
</tbody>
</table>

Foreign-Owned Companies Employed 17,400 Alaska Workers Across Many Industries, 2019

- Other: 7,900
- Manufacturing: 5,900
- Retail Trade: 2,900
- Wholesale Trade: 500
- Prof., Sci. & Tech. Services: 200

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ALASKA JOBS DEPEND ON TWO-WAY TRADE

Population and Purchasing Power: Derived from World Bank population and GDP estimates


ALASKA BUSINESSES GROW WITH EXPORTS

Small and Large Firms Partnering to Export (for 2006, the most recent year for which data were available): U.S. International Trade Commission, Small and Medium-Sized Enterprises: Characteristics and Performance, November 2010, (http://www.usitc.gov/publications/332/pub4189.pdf)


ALASKA COMPANIES EXPORT THROUGHOUT THE WORLD


ALASKA COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


Imports as Components: Derived from Census end-use import data


Price Changes: Derived from BLS Consumer Price Index database (http://www.bls.gov/cpi/)

ALASKA NEEDS TRADE AGREEMENTS TO GROW


Per Capita Purchases of Alaska Goods: Derived from The Trade Partnership (http://tradepartnership.com/data/cdxports-and-cdxjobs) and World Bank population estimates

FOREIGN INVESTMENT IN ALASKA CREATES JOBS

Employment Data: BEA “Direct Investment & Multinational Companies” database (http://bea.gov/iTable/index_MNC.cfm)

Foreign Investors: Uniworld BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)

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