

ALASKA'S ECONOMY

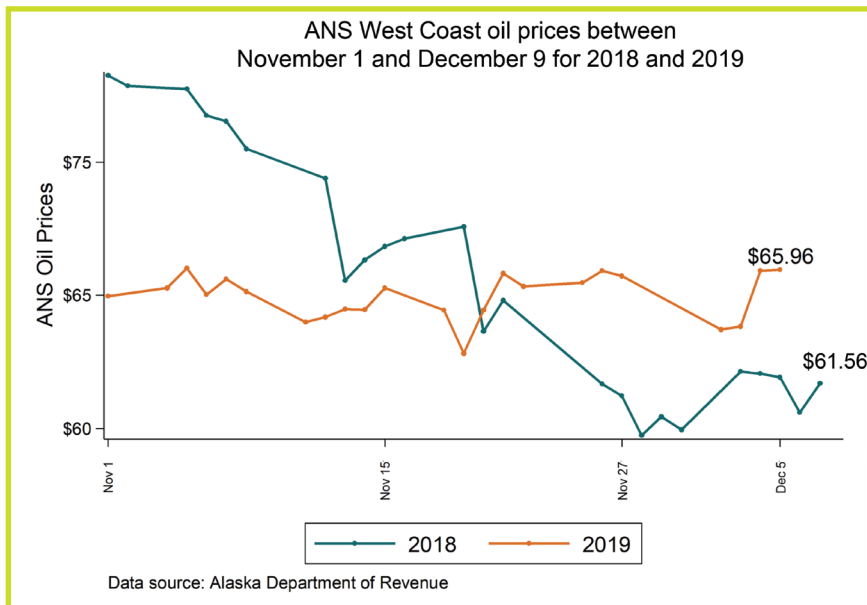
It's everyone's business.

MOUHCINE GUETTABI, ASSOCIATE PROFESSOR OF ECONOMICS, INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH AT THE UNIVERSITY OF ALASKA ANCHORAGE, SHARES HIS VIEWS ON THE ALASKA ECONOMY.



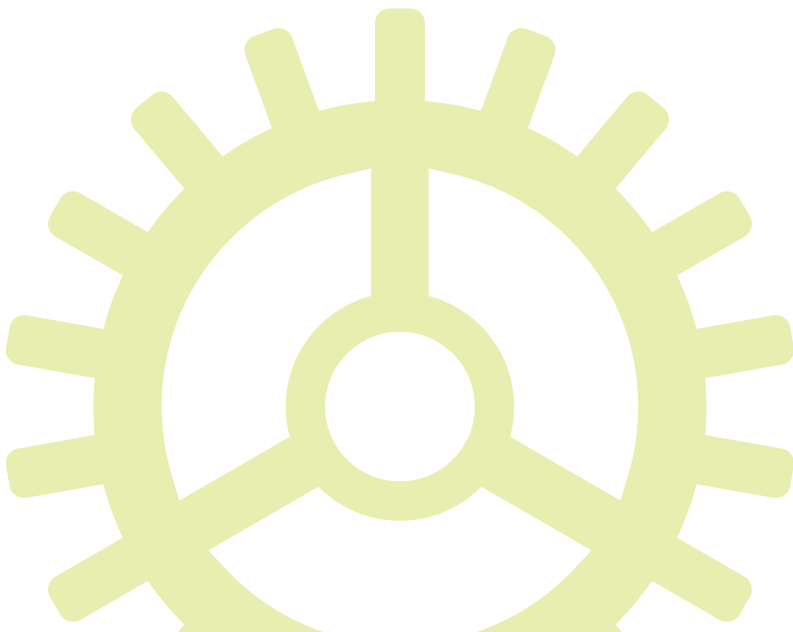
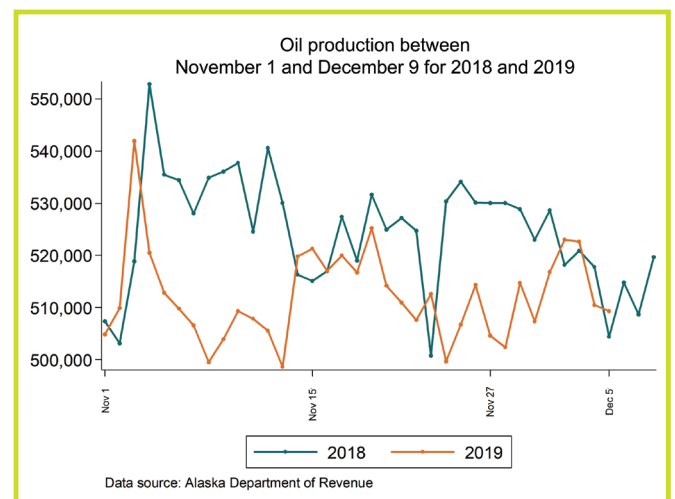
Alaska North Slope (ANS) oil prices averaged \$64.95 per barrel between November 1 and December 5, 2019

Between November 1 and December 5, ANS oil prices averaged 69 cents less than the same period last year. Prices exhibited very little volatility with a high of \$66.03 on November 5 and a low of \$62.83 on November 19. ▼



Oil production averaged 512,249 barrels per day between November 1 and December 5, 2019

Between November 1 and December 5, oil production averaged 12,166 fewer barrels per day than the same period last year. The highest level of production (541,955 barrels) in the past month was recorded on November 3, while the lowest level (498,628 barrels) occurred on November 13. ▼

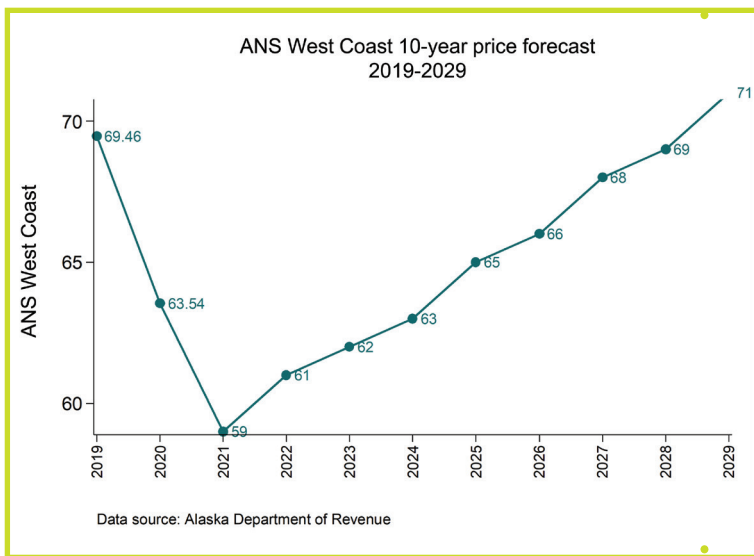


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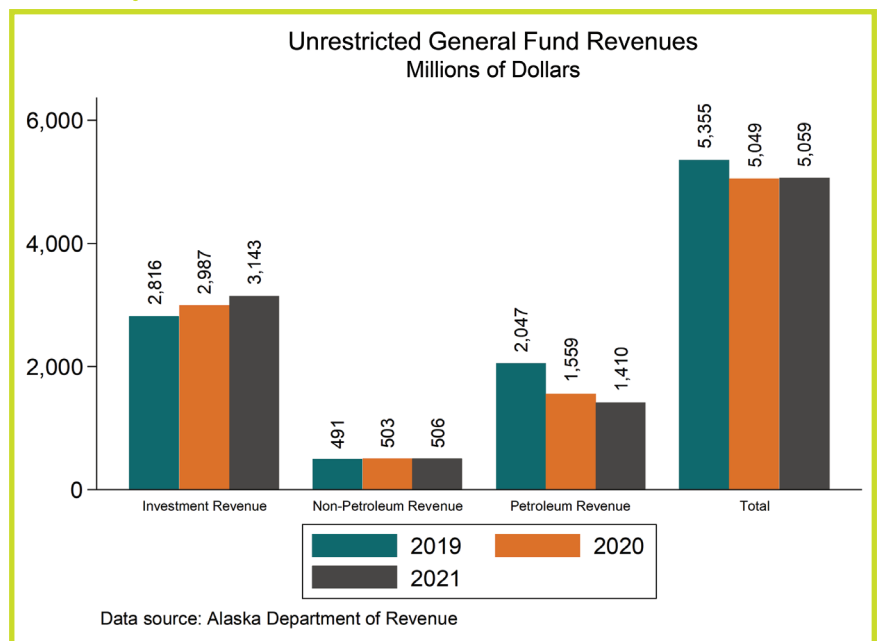
ANS oil price forecast for FY 2020, FY 2021

The Alaska Department of Revenue is forecasting oil prices to be \$63.54 per barrel in FY 2020 and \$59 in FY 2021 before gradually increasing and reaching \$71 dollars by 2029. ▼



Unrestricted General Fund (UGF) revenue forecast for FY 2020, FY 2021

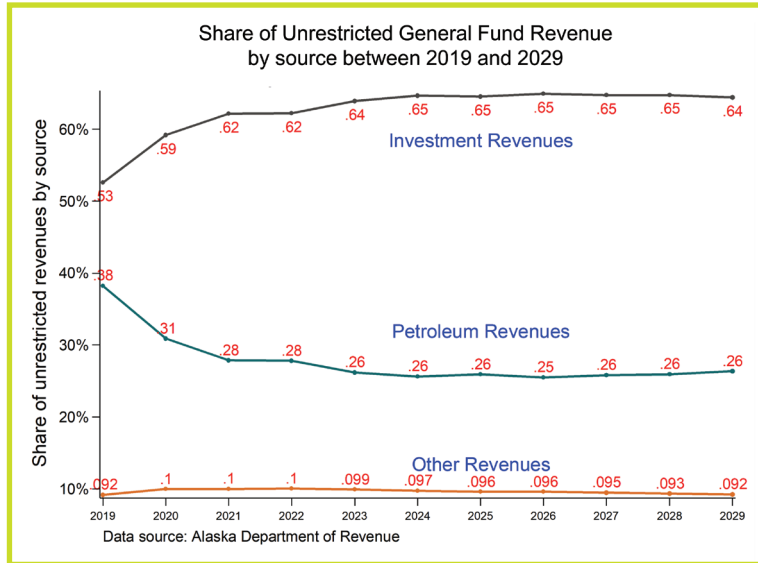
The UGF revenue, including the Permanent Fund transfer, is forecast to be \$5.04 billion in FY 2020 and \$5.05 billion in FY 2021. The changes in petroleum revenues for FY 2020 and FY 2021 are due to a downward revision in the oil price and production forecasts issued by the Alaska Department of Revenue. The forecast assumes that production will decline modestly to 492,100 barrels per day in FY 2020 and to 490,500 barrels per day in FY 2021. ▼





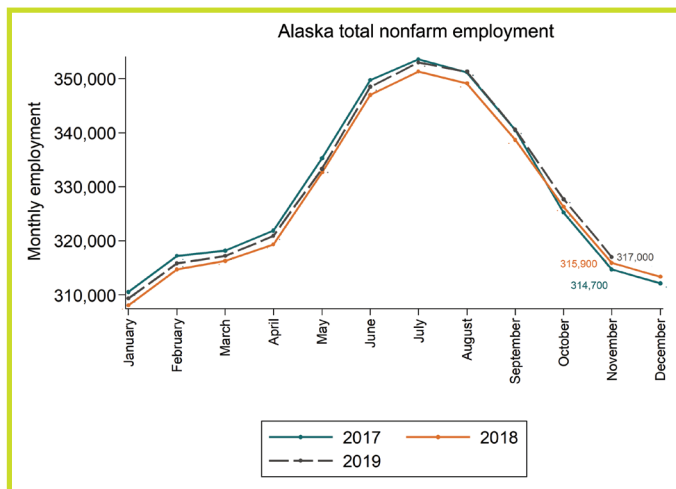
Over the next decade, nearly 66% of the overall UGF Revenue will be sourced from the Permanent Fund draw

Between 2019 and 2029, draws from the Permanent Fund will constitute close to 66% of the UGF Revenue. Petroleum revenues, which have historically been the most important component of UGF, are forecasted to contribute only 26% of the total by 2029. ▼



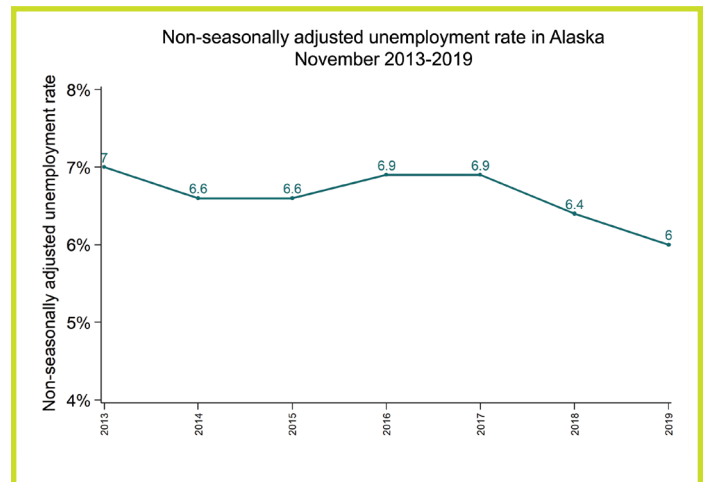
Alaska's employment was up about 0.3% in November 2019

Alaska's employment was up an estimated 0.3% in November 2019, or 1,100 jobs, relative to November 2018. Through November, employment was higher in every month relative to 2018 levels. Overall employment is averaging 1,400 more jobs than 2018. ▼



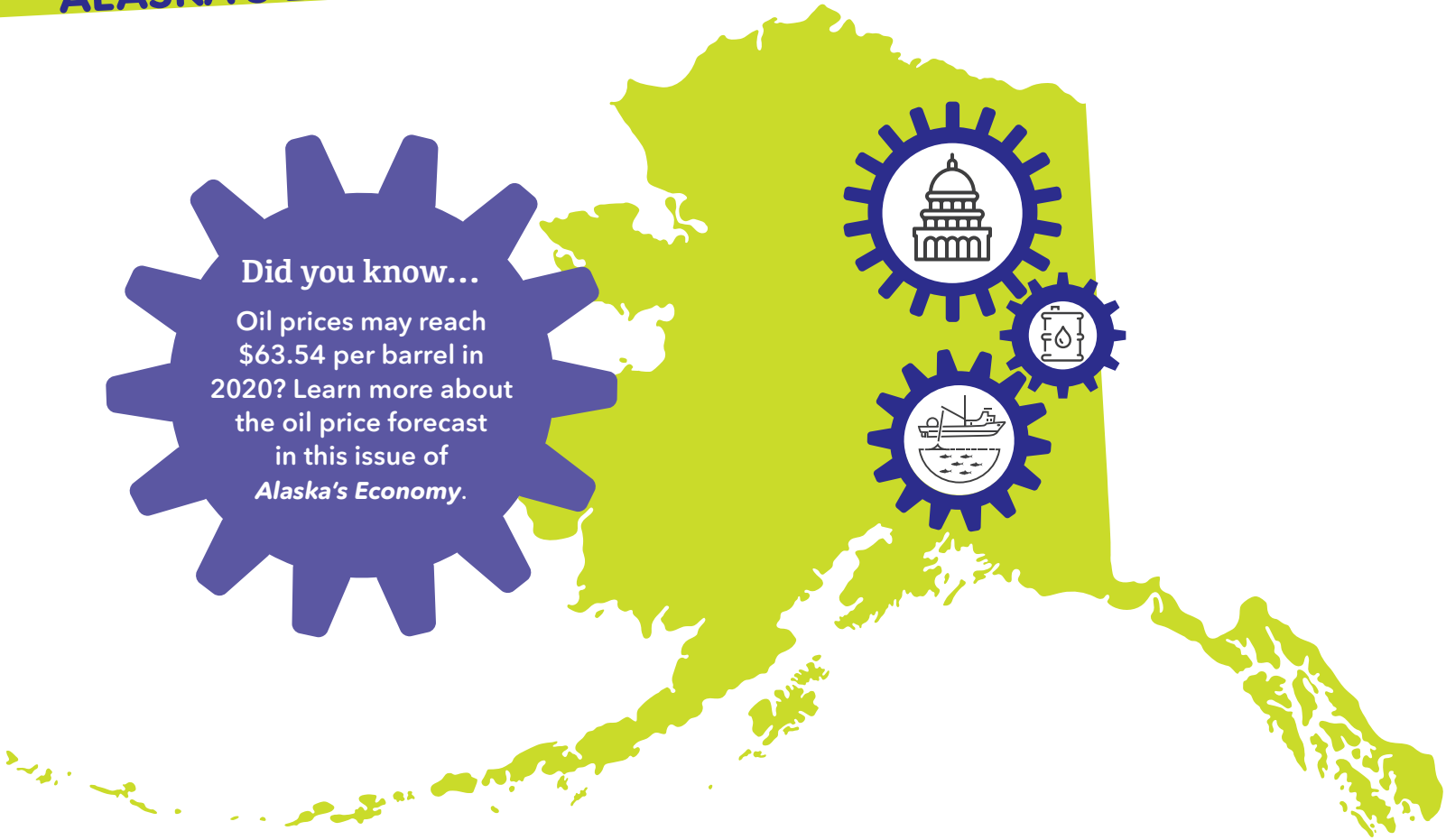
Alaska's non-seasonally adjusted unemployment rate was 6% for the month of November which is a 0.4% decrease relative to November 2018

At the national level, the expansion continues as the non-seasonally adjusted unemployment rate decreased from 3.5% to 3.3% between November 2018 and November 2019. For Alaska, the declines in the unemployment rate point to both an improvement in labor market conditions and a decline in the labor force. ▼



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Did you know...
Oil prices may reach \$63.54 per barrel in 2020? Learn more about the oil price forecast in this issue of *Alaska's Economy*.



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