

ALASKA'S ECONOMY

It's everyone's business.

BRETT WATSON, RESEARCH PROFESSIONAL AT THE INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH AT THE UNIVERSITY OF ALASKA ANCHORAGE, SHARES HIS VIEWS ON THE ALASKA ECONOMY.

Dear reader,

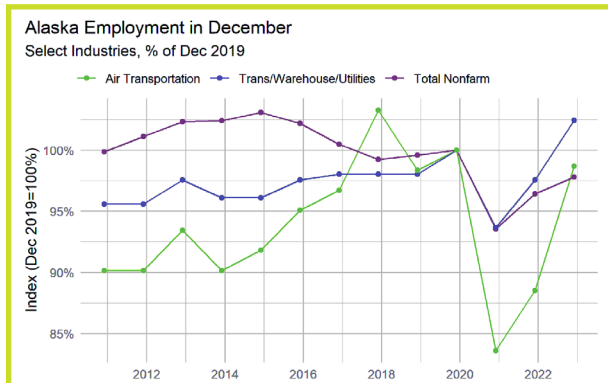
Air transportation has rebounded in most emerging markets. In 2022, Ted Stevens International Airport became the world's third busiest cargo airport, serving more than two million passengers and handling over 3.5 million metric tons of goods. Alaska's seasonal tourism and freight traffic make the terminal a year-round hub for economic activity.



Alaska jobs

In June, Alaska nonfarm jobs totaled 342,300. That's about 7,000 fewer nonfarm jobs than in June 2019, but nevertheless a significant recovery from the lows of the pandemic. The sector with the highest recovery rate was the transportation, warehousing and utilities sector; notably, air transportation. In December 2019, the sector reported 20,500 jobs. Of those jobs, 6,100 were in air transportation. The pandemic disproportionately affected air transit, which saw its December 2020 employment fall to 84% of pre-COVID levels, while the overall employment rate was at 94%. Data from December 2022 show airport employment at 99% of its pre-pandemic levels, while the overall employment rate was at 98%. ▼

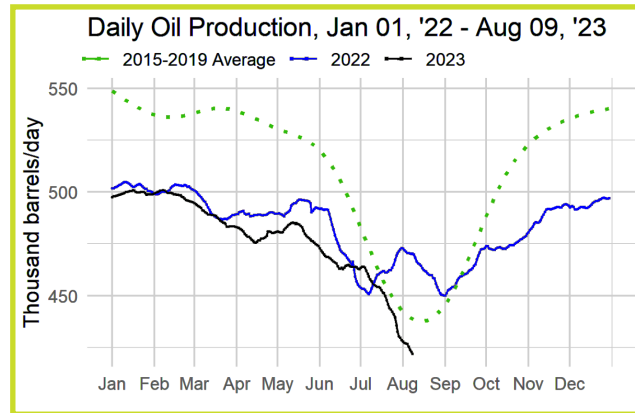
Data from the Alaska Department of Labor and Workforce Development and the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages



Alaska oil production

Daily oil production in Alaska was 416,000 barrels on Aug. 9. In July, daily production averaged 430,743 barrels, compared to 472,000 in July 2022 and 403,000 in July 2021. According to *Petroleum News*, the developers of the large Pikka project, Santos Ltd, are progressing on schedule and budget – a target of 80,000 barrels daily during the first half of 2026. ▼

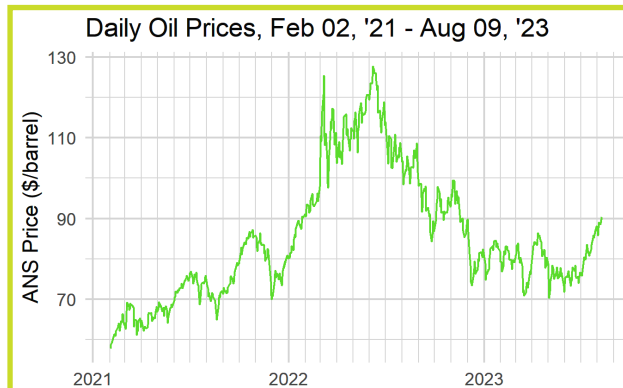
Data from the Alaska Department of Revenue



Alaska oil prices

Alaska's benchmark oil price, ANS West Coast, was \$90.40 per barrel on Aug. 9. In July, daily prices averaged \$82.45 per barrel, compared to \$106.77 in July 2022 and \$74.24 in July 2021. ▼

Data from the Alaska Department of Revenue



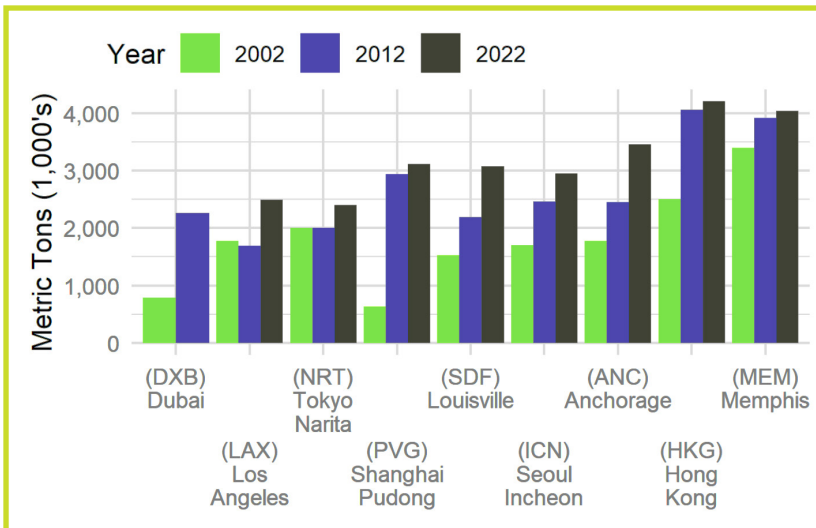
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Busiest cargo airports in the world

Between 2012 and 2022, Anchorage was the fastest-growing major cargo airport in the world. In 2022, Ted Stevens International Airport became the third busiest cargo airport in the world in terms of freight transit. The airport saw 3.5 million metric tons of cargo, about 18% less than Memphis and 20% less than Hong Kong. During the last two decades, Anchorage's volume has increased by about 1.7 million metric tons. ▼

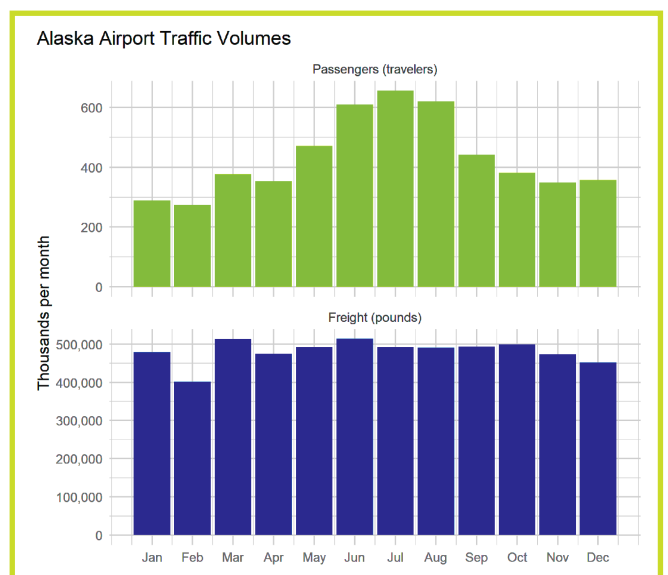
Data from Airports Council International's annual figures measuring total cargo volume in metric tons including freight transit



Alaska seasonal air traffic

Like many industries in Alaska, seasonality plays a key role in air transportation. Passenger travel peaks in the summer as Alaska sees more than double the amount of passengers arriving in July versus January. As a result, service jobs in this industry are also seasonal, as reflected in employment statistics. However, freight transit into and through Alaska remains relatively high throughout the year. A look at tourism and freight activity provides a holistic annual account of Alaska airport employment. ►

Data from BTS T-100 2022 annual statistics



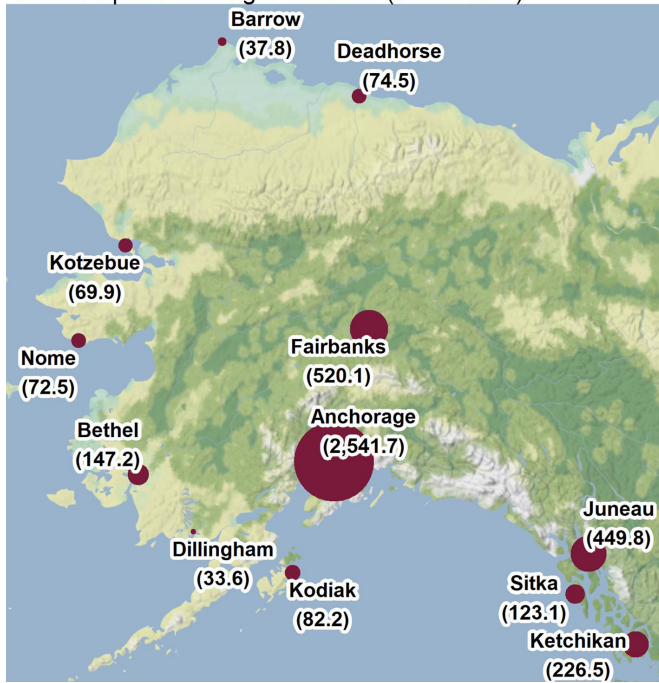


Alaska airports and passengers

In 2022, Ted Stevens International Airport led the number of passengers arriving in Alaska, followed by Fairbanks, Juneau and Ketchikan. Roughly half of all passengers arriving in Alaska have an Anchorage arrival. Relative to the population of their respective communities, the passenger counts of Bethel and Ketchikan airports are notable. Whereas Anchorage has about nine passengers arriving for every resident, Ketchikan has more than 28 and Bethel has almost 25. This passenger volume speaks to Bethel's vital role as a regional hub for the Yukon-Kuskokwim Delta region and Ketchikan's role as an intermediate stop between Southeast Alaska and Seattle. ▼

Data from BTS T-100 2022 annual statistics

Alaska Airport Passenger Volumes (Thousands)

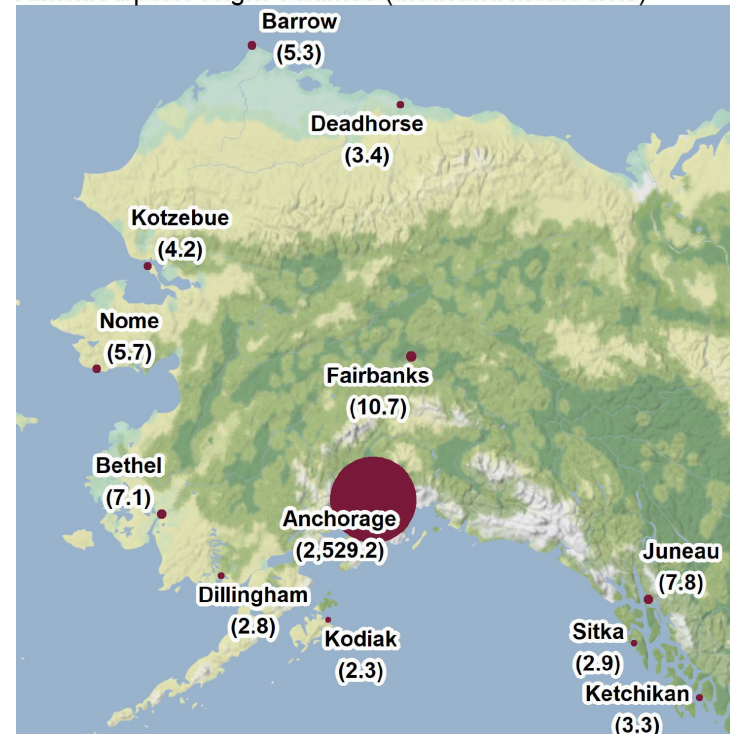


Alaska airports and cargo

Nearly 97% of the state's arriving or transiting freight passes through Anchorage. In 2022, more than 2 million metric tons of cargo arrived at or passed through Anchorage, with more than 1 million metric tons of freight originating from Hong Kong, Seoul, Taipei and Shanghai combined. Much of the cargo was bound for other intermediate or final domestic destinations, including Chicago, Louisville, Los Angeles and New York. ▼

Data from BTS T-100 2022 annual statistics

Alaska Airport Freight Volumes (thousand metric tons)

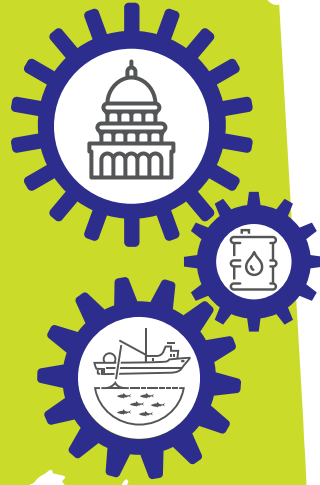


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Did you know...

In 2022, more than 1 million metric tons of freight passed through Anchorage from Asia to other U.S. destinations?

Learn more in this issue of *Alaska's Economy*.



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