



## *Trade and Agriculture* **What's at Stake for Alaska?**

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Alaska is an important producer and exporter of fish and solid wood products. In 2001, the State's commercial fish landings totaled \$1.2 billion. Wood product shipments were \$155 million in 2001. These industries are important to Alaska's economy and more reliant on overseas markets than the fish and wood industries of any other state. In 2001, the value of fish and wood products leaving the port of Anchorage was \$1.1 billion and \$69 million, respectively. These exports create jobs in mills and at ports, and also support jobs in related sectors, such as food processing, storage, and transportation.

World demand for fish and wood products is increasing, but so is competition among suppliers. If Alaska's industries are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

### **Alaska Benefits From Trade Agreements**

Alaska is already benefiting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities for Alaska include:

- Under the U.S.-Chile and U.S.-Singapore Free Trade Agreements, Alaska will benefit when Chile's and Singapore's tariffs on wood products will be eliminated immediately, upon implementation of the agreements.
- In the Uruguay Round, major U.S. trading partners reduced their tariffs by 28 percent on average for wood products. In the case of Japan, the tariff cuts (along with other liberalization measures taken under the U.S.-Japan Wood Products Agreement and the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy) helped create significant new market opportunities for a wide-range of value-added wood products.
- NAFTA provided for the progressive elimination of Mexico's tariffs on wood products, with most tariffs eliminated immediately or over five years. The last tariffs were eliminated on January 1, 2003. Following Mexico's severe economic downturn in 1995, U.S. wood sales have risen steadily. Mexico is our third largest export market for wood products with exports totaling \$384 million in 2002.
- The elimination of tariffs under the 1989 U.S.-Canada Free Trade Agreement led to a large increase in U.S. wood products sales to Canada. Canada has become

the United States' largest export market for wood products, surpassing even Japan. U.S. wood products exports to Canada more than doubled from 1989 to 2002, from \$644 million to \$1.67 billion.

### **Fishery Products**

- Under the U.S.-Chile and U.S.-Singapore Free Trade Agreements, Alaska's fishing communities will benefit when Chile's and Singapore's tariffs on fishery products will be eliminated immediately, upon implementation of the agreements.
- U.S. fishery products exports to Canada have more than tripled since tariffs were eliminated under the 1989 U.S.-Canada Free Trade Agreement, from \$200 million in 1989 to a near-record \$602 million in 2002. Canada is the United States' second largest export market for fishery products, after Japan.
- NAFTA has helped U.S. exporters to maintain their position as Mexico's leading supplier of fishery products. U.S. fishery products exports to Mexico have risen from \$36 million in 1993 to \$70 million in 2002. Mexico is the United States' largest export market for fishery products in Latin America.