



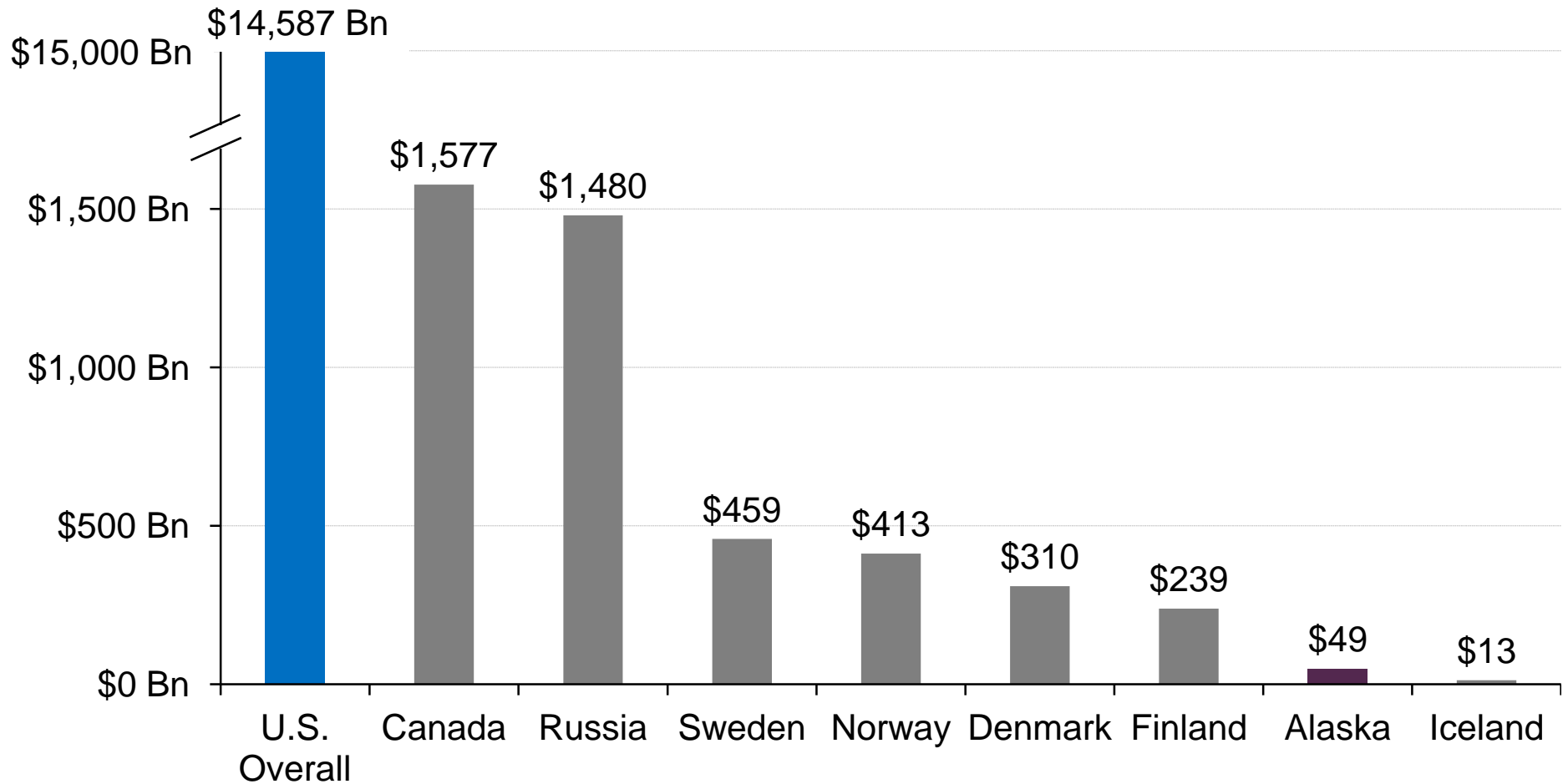
# Alaska's Place in the World Economy: A Call to Action

Presented by:  
Scott Miner, Chief Investment Officer  
Guggenheim Investments

March 2, 2012

# GDP Comparison – U.S. vs. Arctic Regions

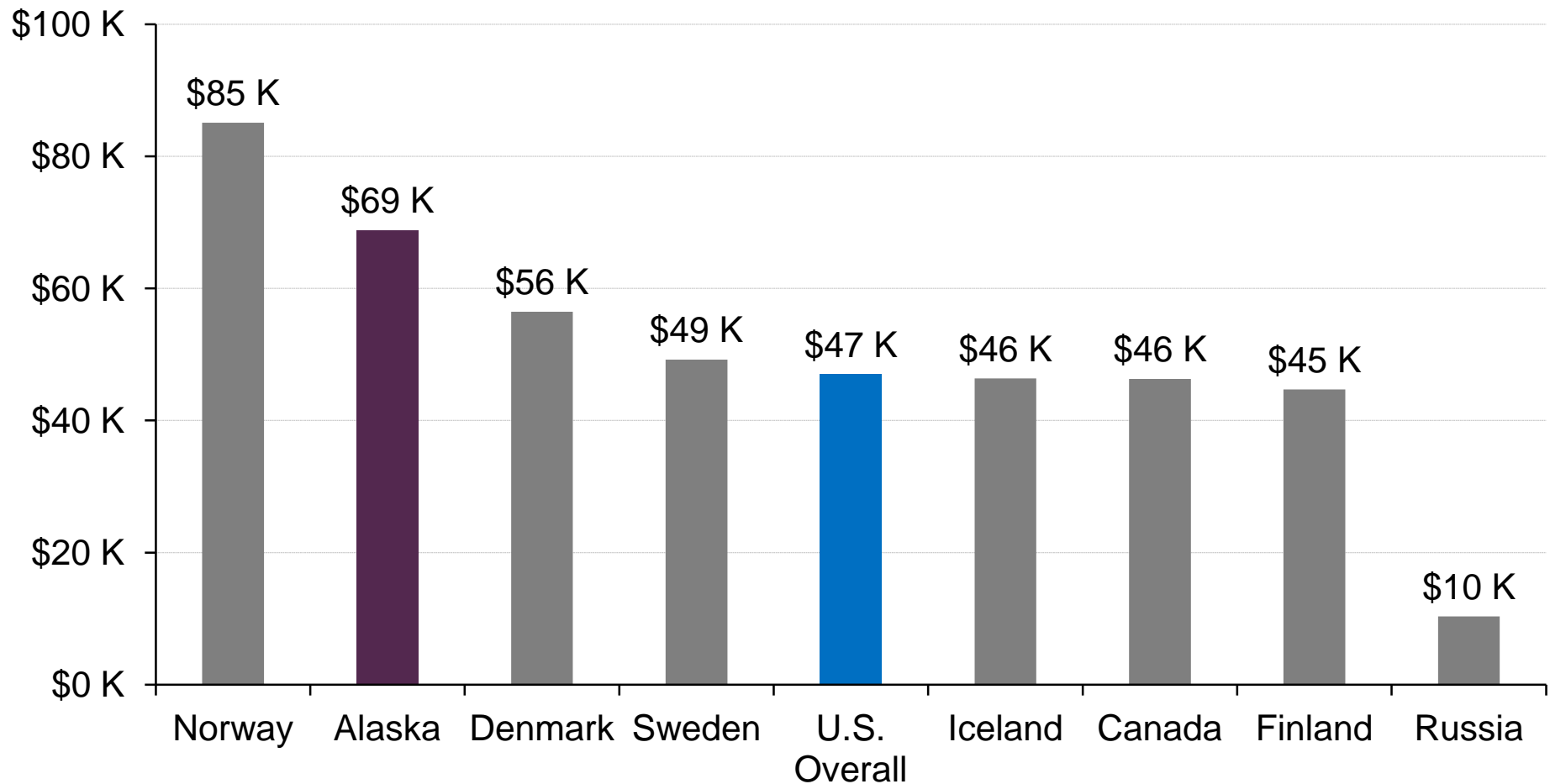
## 2010 Nominal GDP\* in U.S. Dollars Comparison – U.S. vs. Arctic Regions



Source: BEA, Haver Analytics, Guggenheim Investments. Data as of 12/31/2010. \*Note: Gross State Product (GSP) for Alaska.

# GDP per Capita – U.S. vs. Arctic Regions

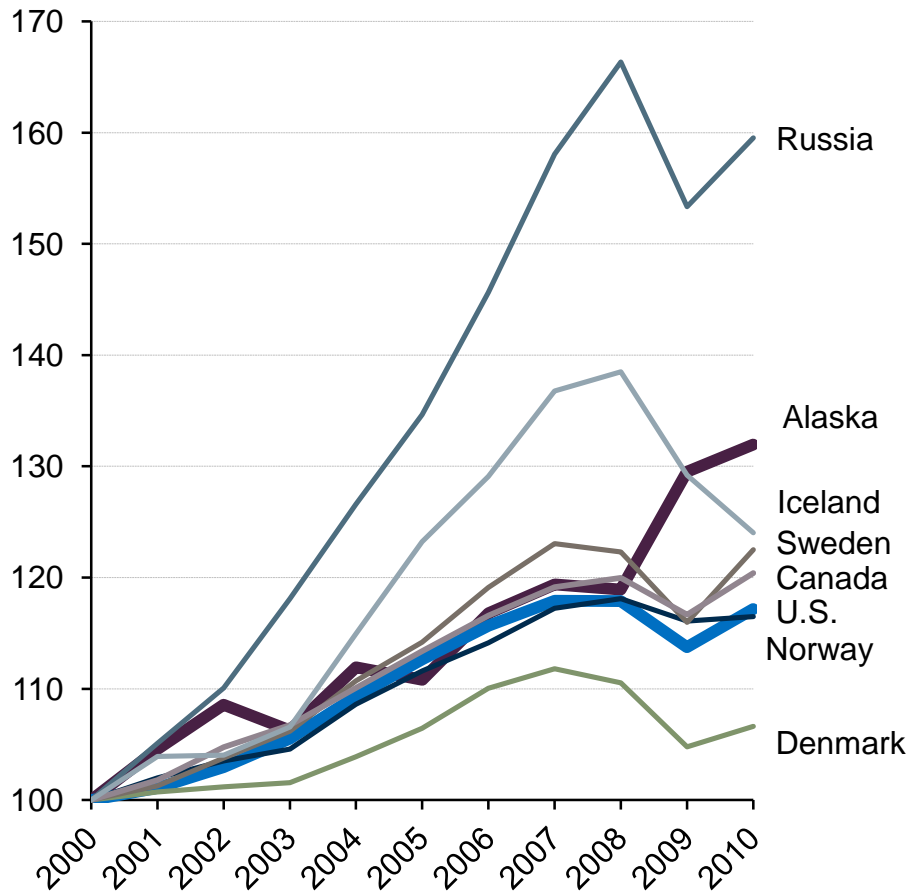
## 2010 Nominal GDP\* per Capita Comparison – U.S. vs. Arctic Regions



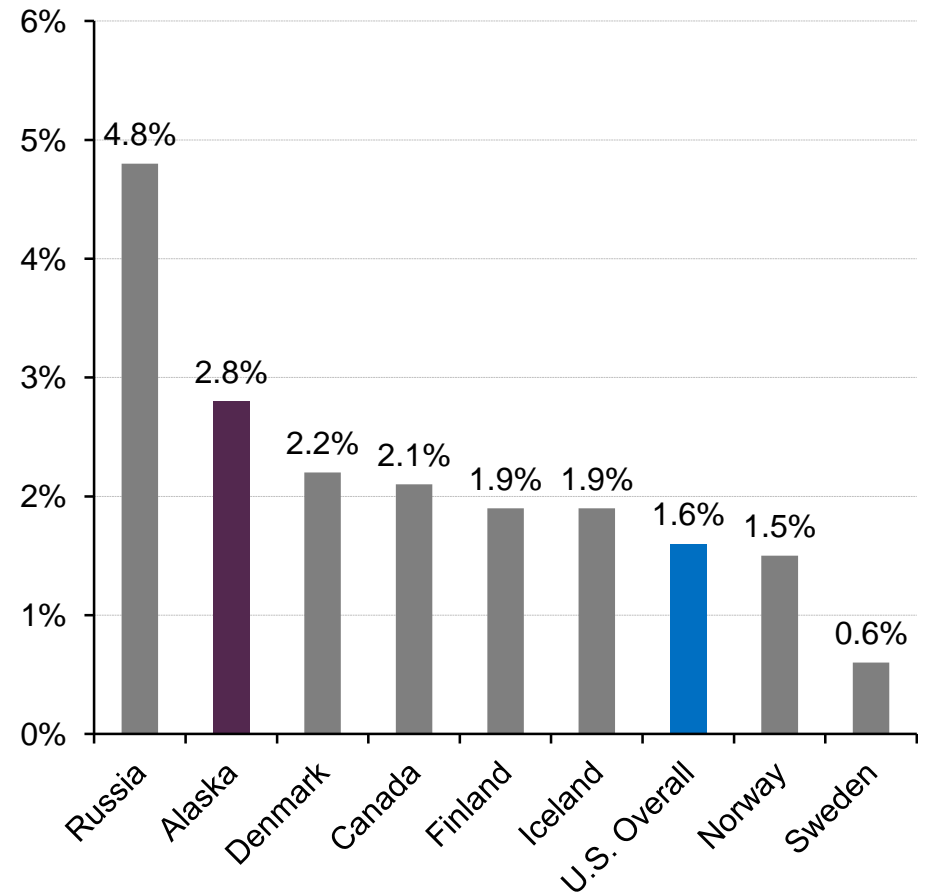
Source: BEA, Haver Analytics, Guggenheim Investments. Data as of 12/31/2010. \*Note: Gross State Product (GSP) for Alaska.

# Economic Growth in the Arctic Regions (2000 – 2010)

**Real GDP\* Comparison  
(Normalized to 2000 = 100)**



**Real GDP 10-Year  
(CAGR\*\*, 2000 – 2010)**

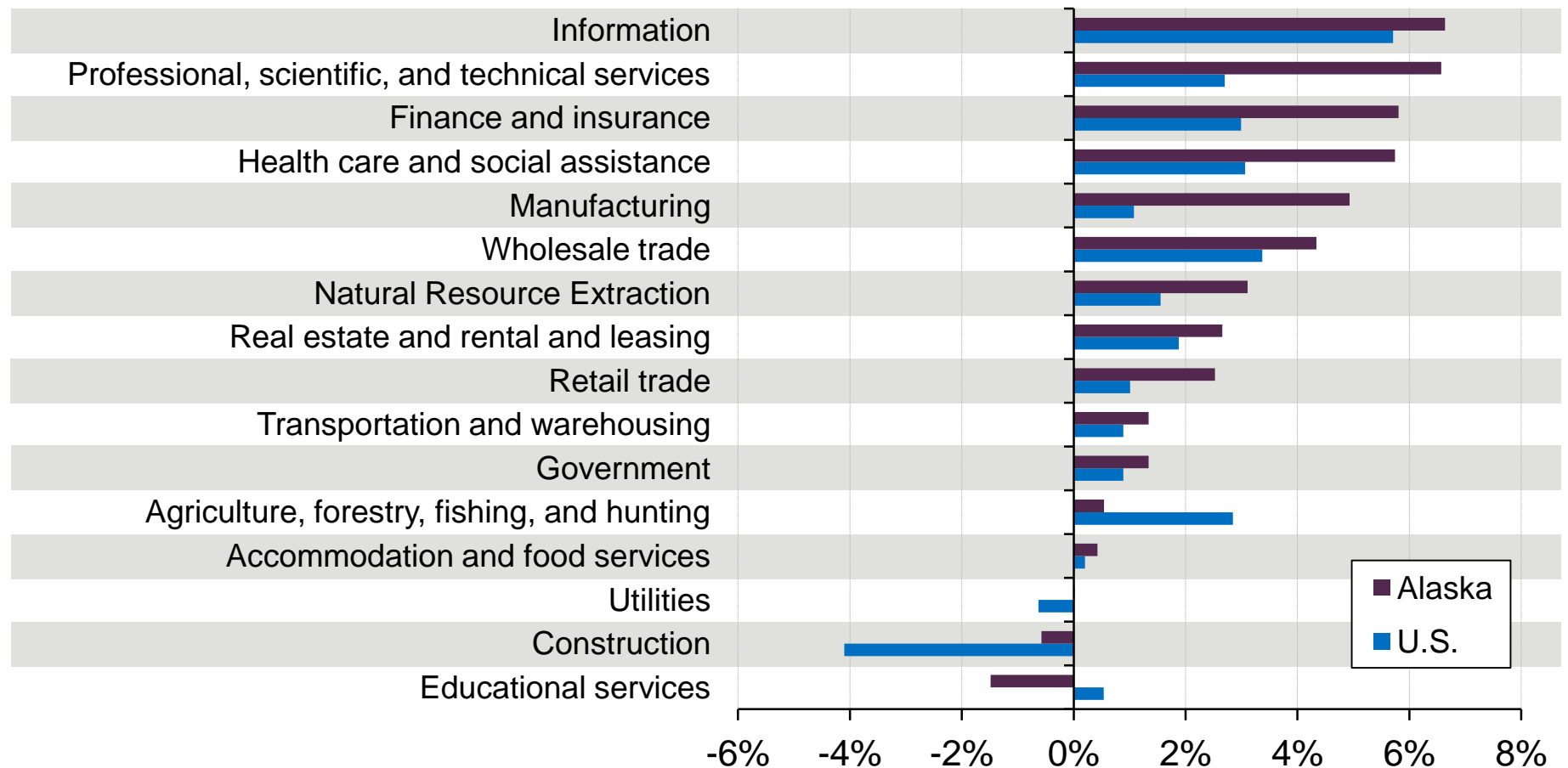


Source: BEA, Haver Analytics, Guggenheim Investments. Data as of 12/31/2010. \*Note: Gross State Product (GSP) for Alaska.

\*\*CAGR is Compounded Annual Growth Rate

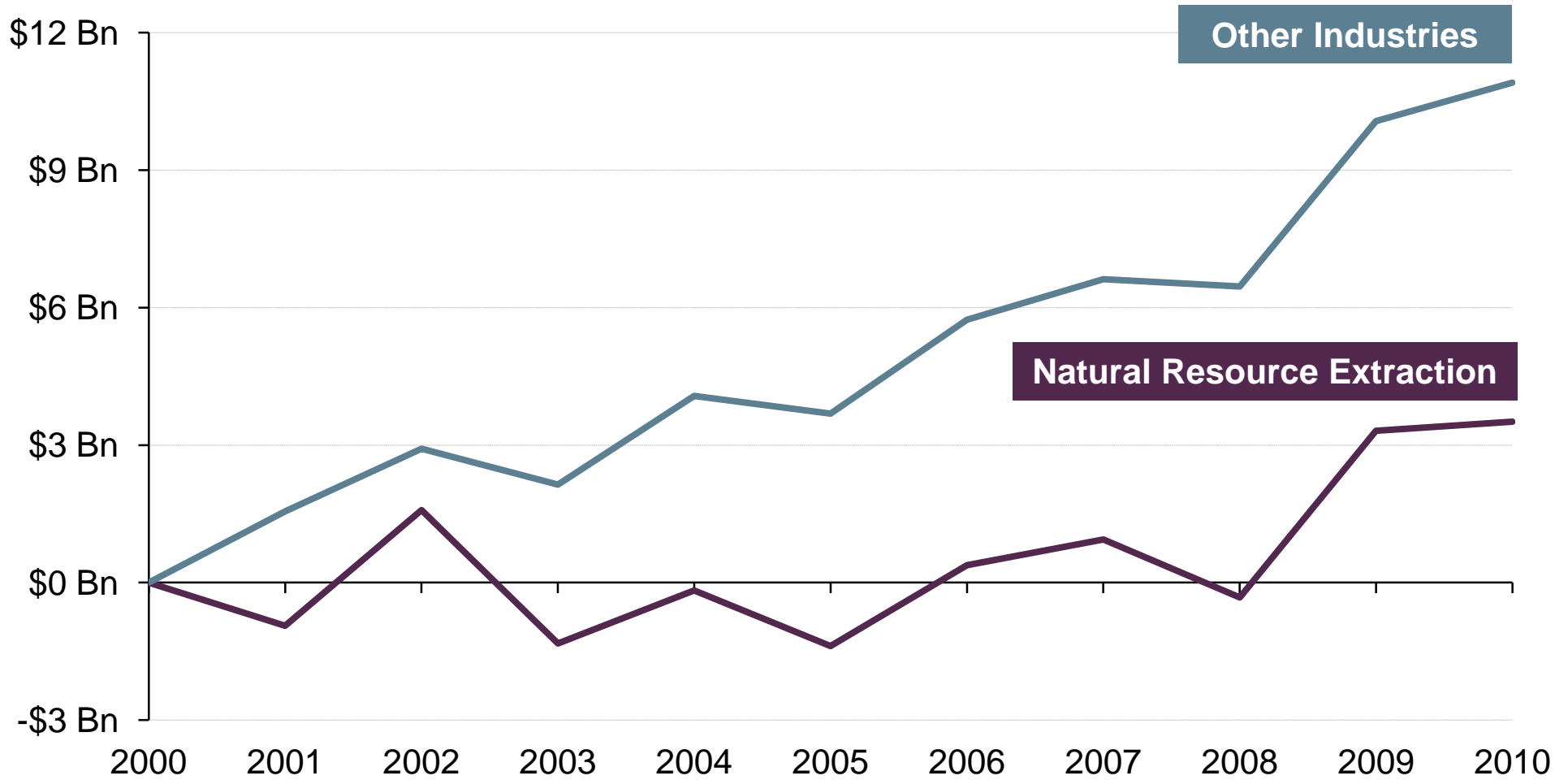
# Ten-Year Real GDP Growth by Industry

## Real GDP Growth by Industry – U.S. vs. Alaska (2000 – 2010 CAGR\*)

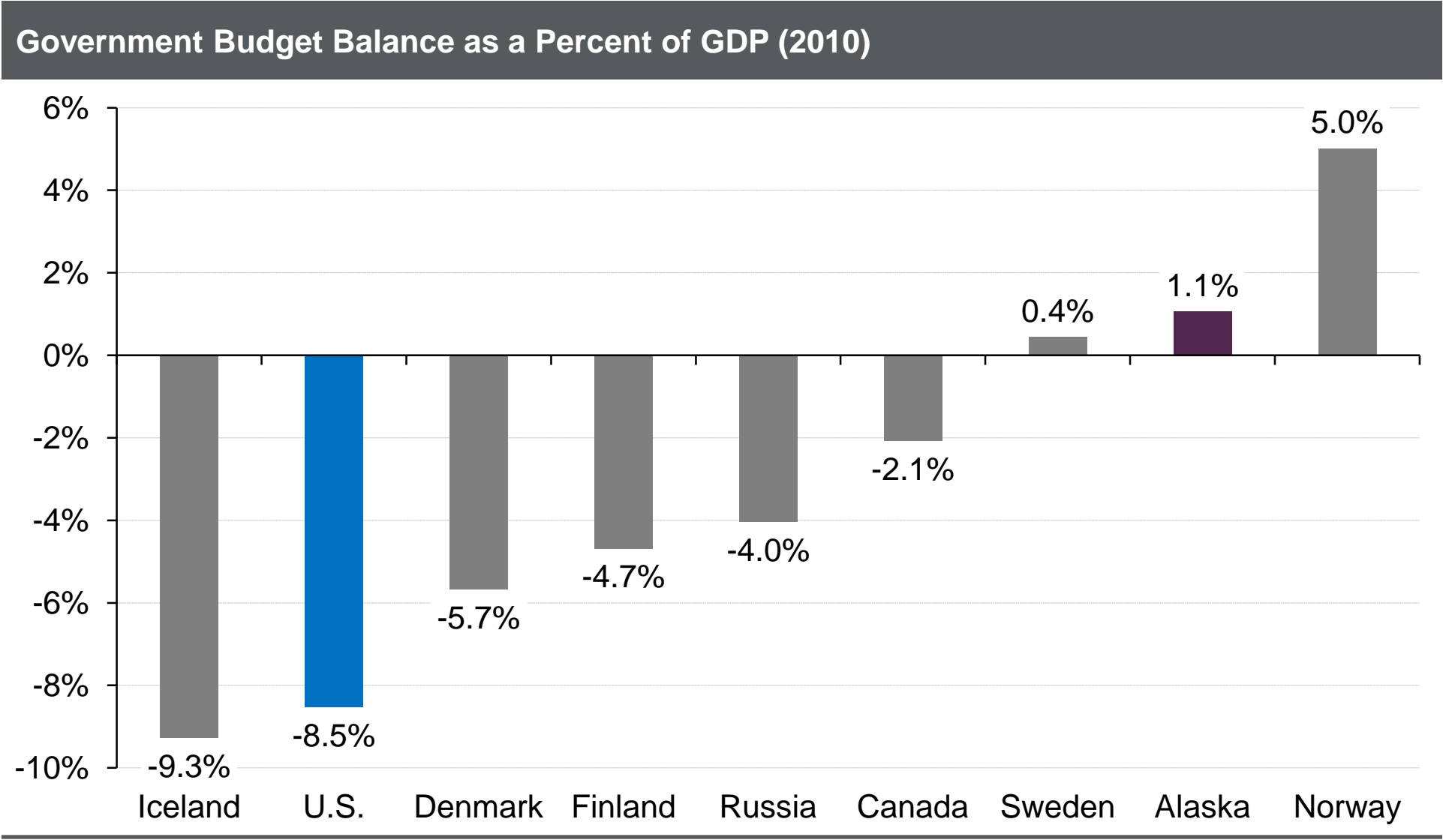


# Alaska – Contribution to Economic Growth

## Cumulative Changes in Real GSP of Alaska (2000 – 2010)



# Government Budget Balance as a Percent of GDP



Source: Haver Analytics, Guggenheim Investments.

# Government Budget Balance as a Percent of GDP

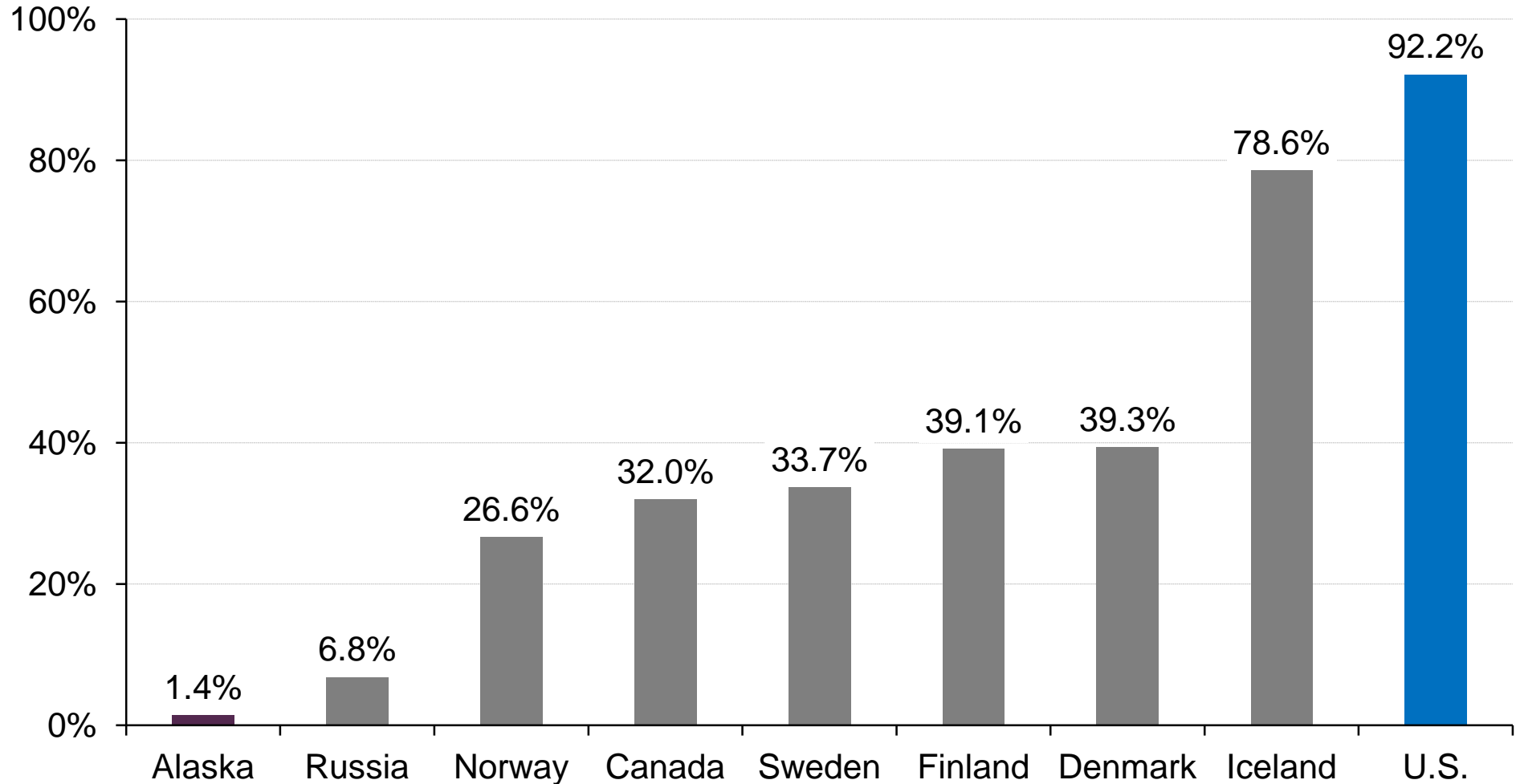
## Government Budget Balance as a Percent of GDP





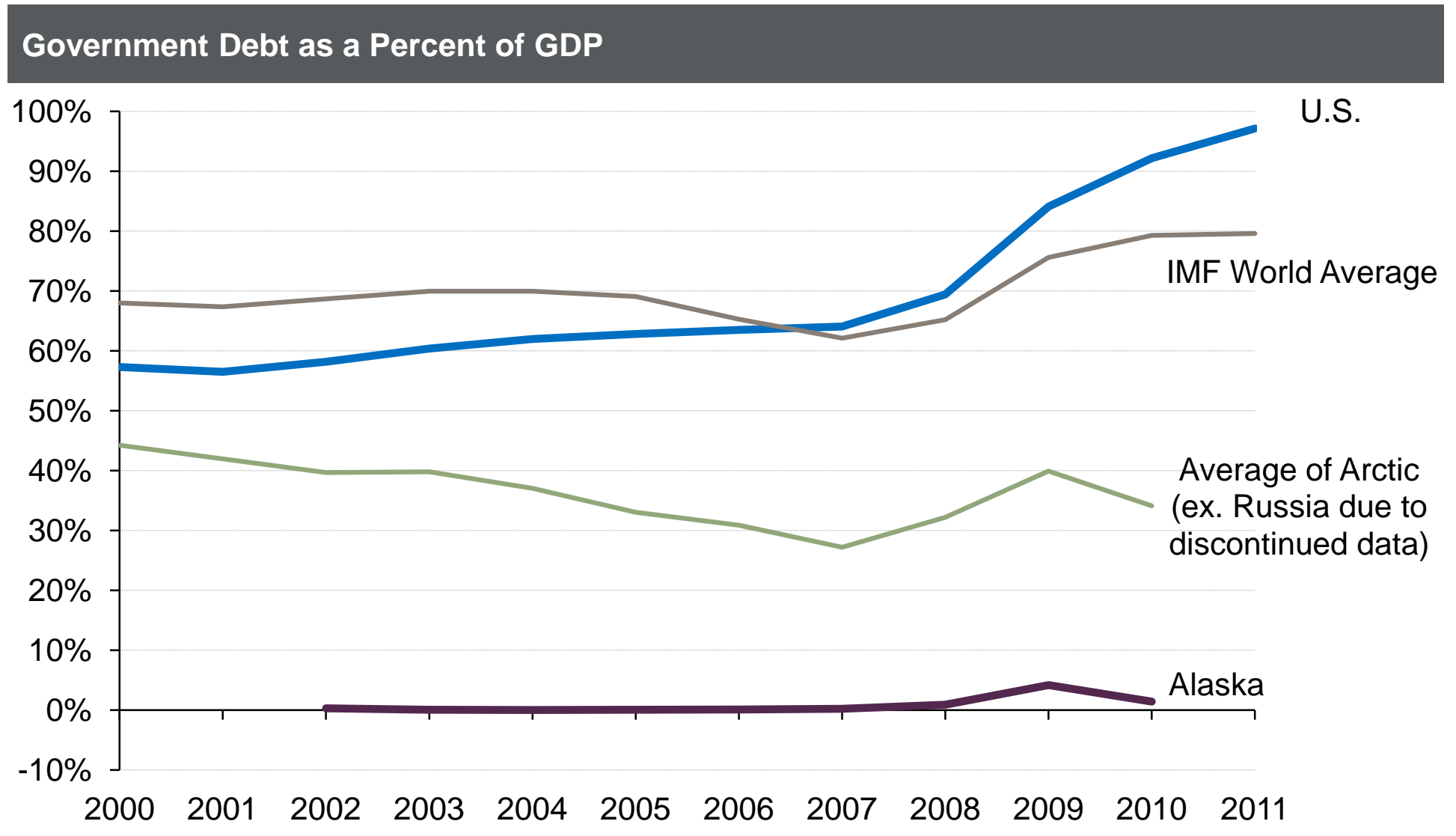
# Government Debt as a Percent of GDP

## Government Debt as a Percent of GDP (2010)



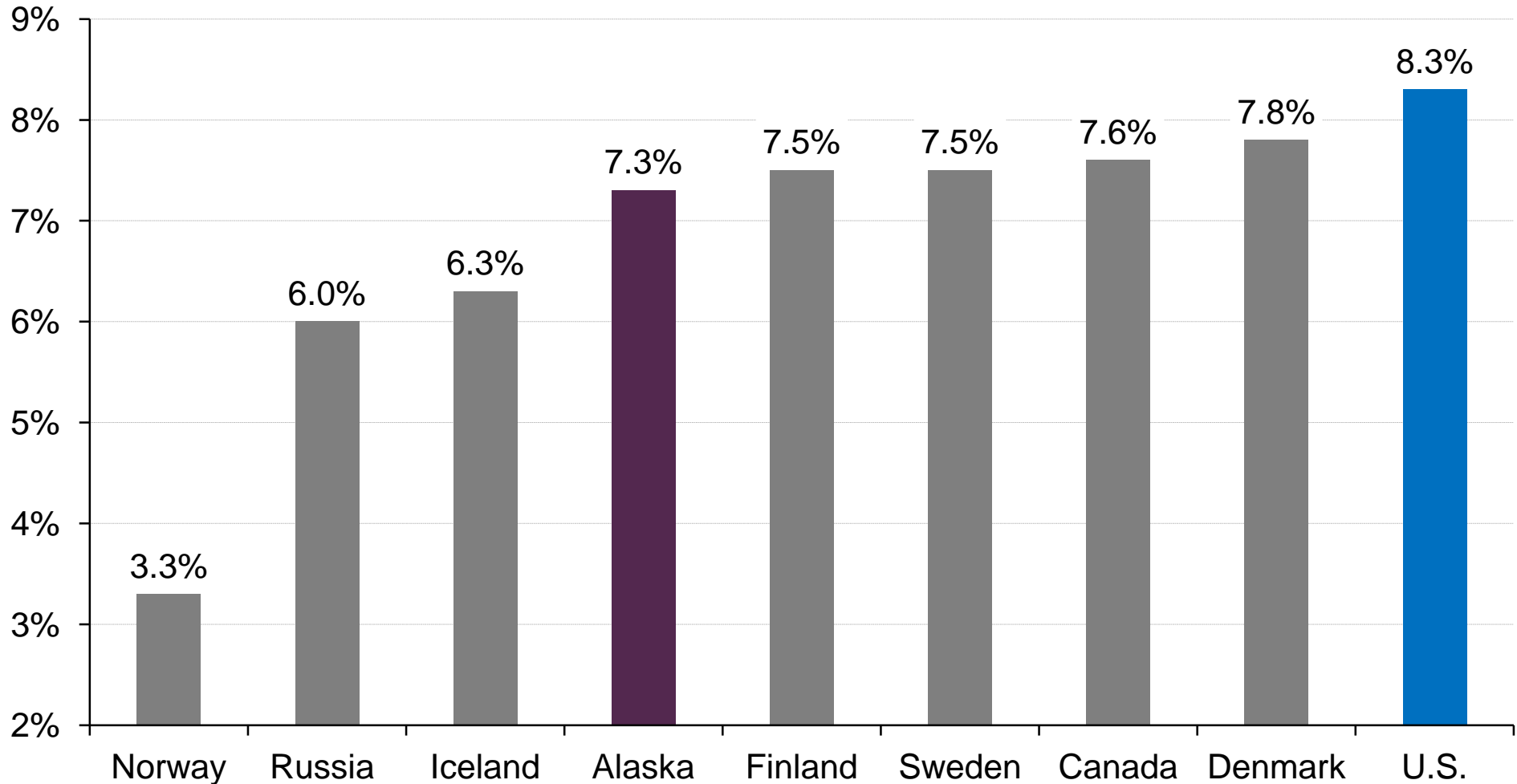
Source: Haver Analytics, Guggenheim Investments. \*2009 Data for Iceland

# Government Debt as a Percent of GDP



# Unemployment Rates Across Arctic Regions

## Unemployment Rate Comparison

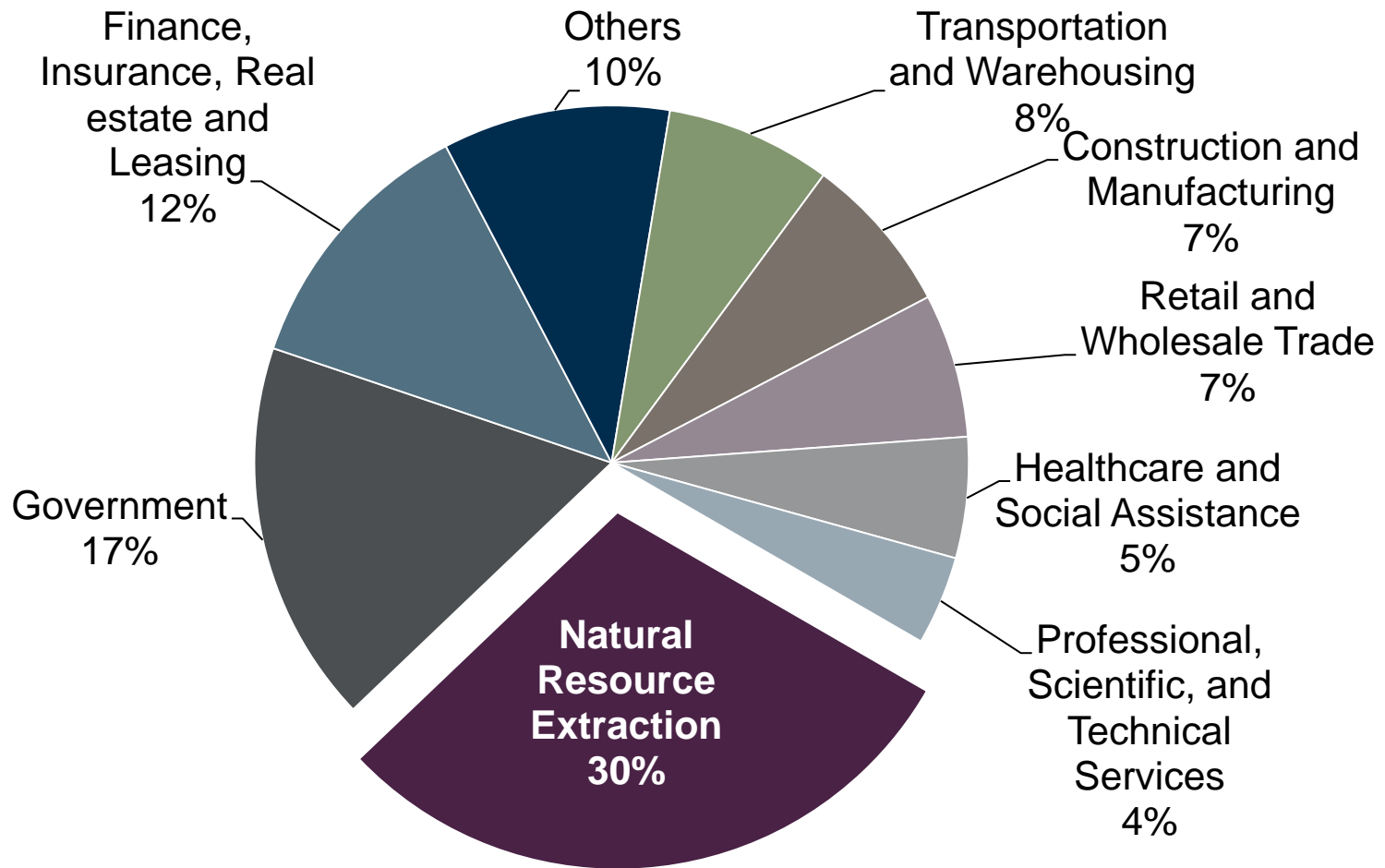


Source: Haver Analytics, Guggenheim Investments. Data as of 1/31/2012.

# Alaska – Gross State Product Breakdown

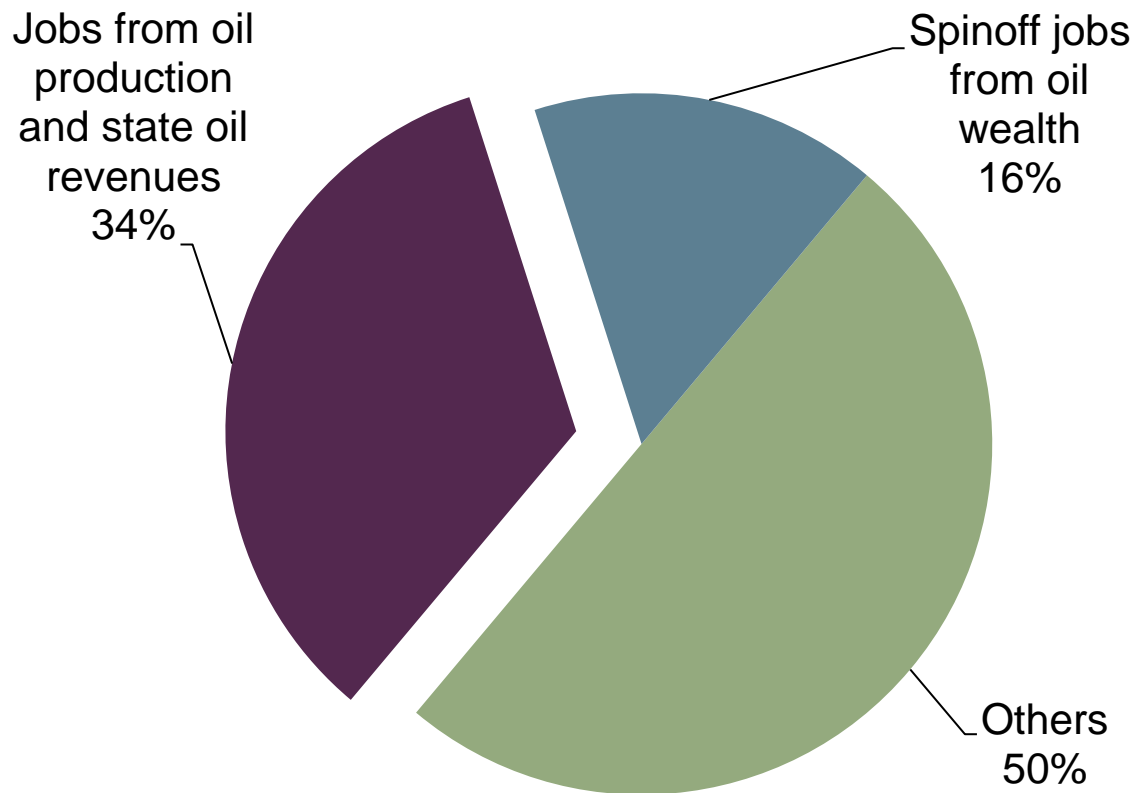
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## Alaska's Gross State Product (GSP) Breakdown – (2010)



# The Importance of the Oil Industry to Alaska's Economy

## Alaska Employment Breakdown

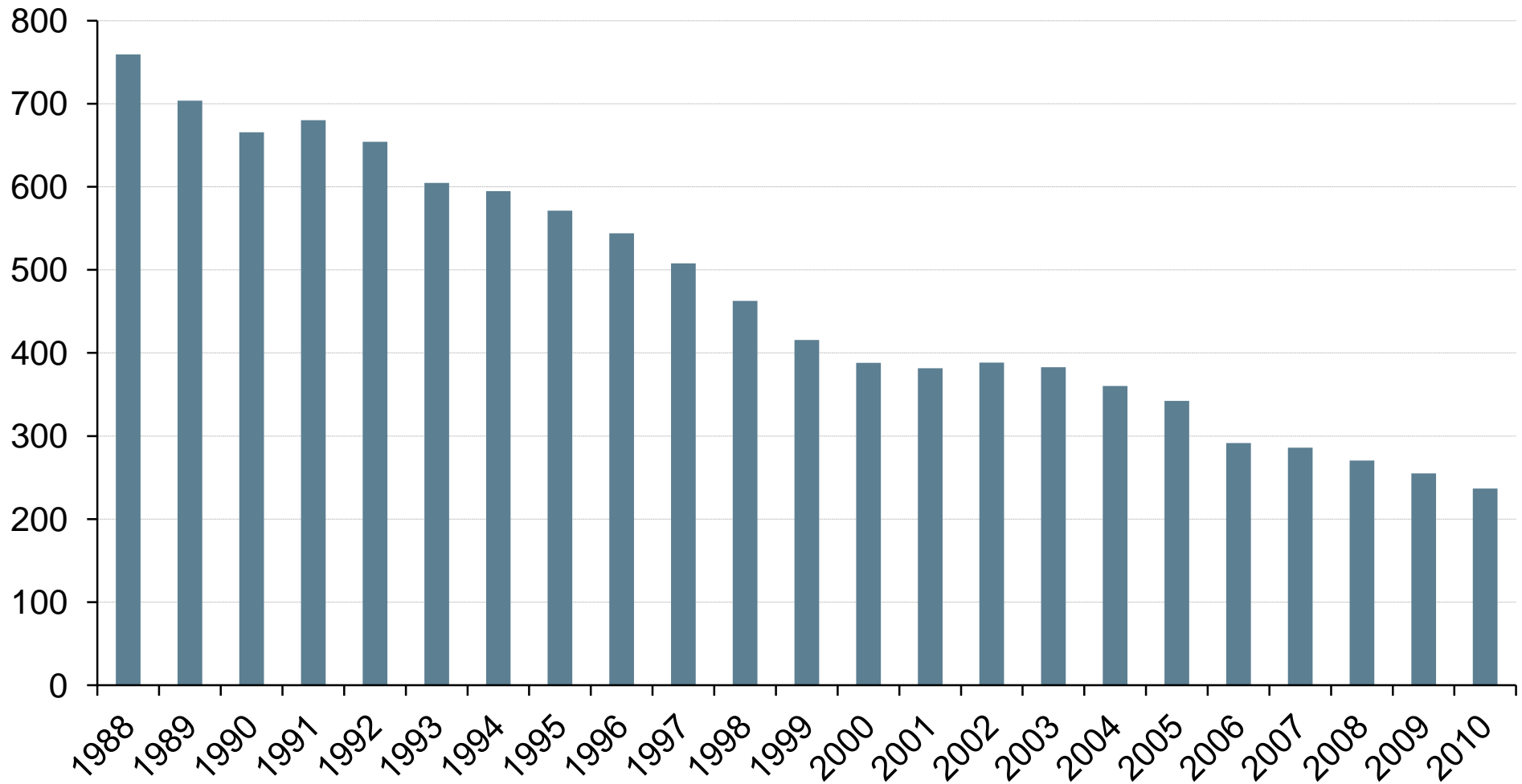


## Share of Jobs in Industry Depend on Petroleum

<b>State Government</b>	75%
<b>Local Government</b>	57%
<b>Finance/Real Estate</b>	33%
<b>Communications/Utilities</b>	32%
<b>Trade</b>	27%
<b>Construction</b>	27%
<b>Transportation</b>	23%

# Oil Production In Alaska

Alaska Oil Production (Millions of Barrels)



Source: Alaska Division of Oil and Gas. Data as of 12/31/2010.

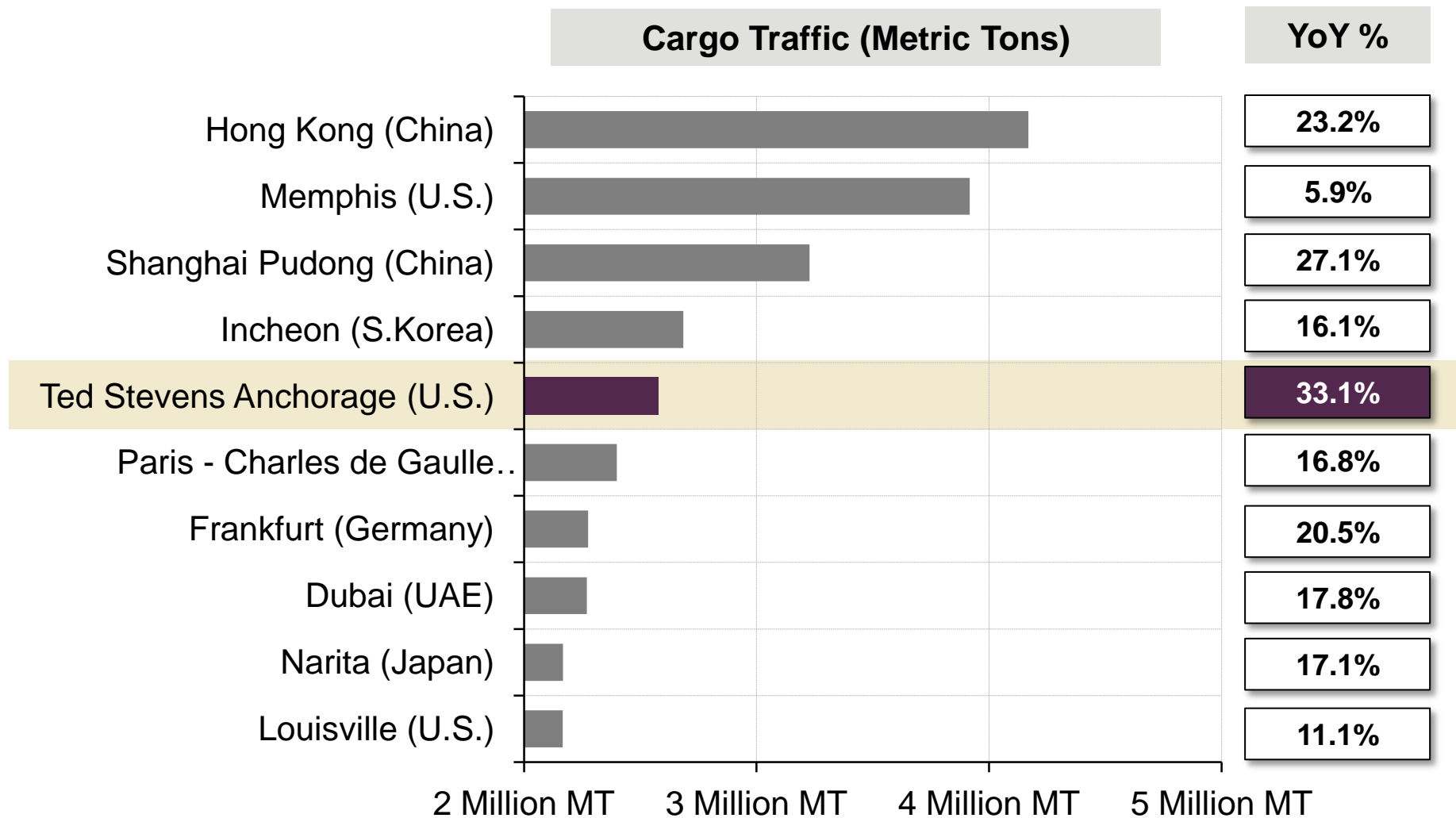
# Oil and Natural Gas Reserves

	Oil Reserves (Billion Barrels)	Reserve / Production	Natural Gas Reserves (Trillion Cubic Meters)	Reserve / Production
US	30.9	11.3	7.7	12.6
Canada	32.1	26.3	1.7	10.8
Norway	6.7	8.5	2	19.2
Denmark	0.9	9.9	0.1	6.4
Russia	77.4	20.6	44.8	76
Sweden	--	--	--	--
Finland	--	--	--	--
Iceland	--	--	--	--
<b>Alaska</b>	<b>4.7</b>	<b>21.4</b>	<b>36</b>	<b>11.2</b>

Source: U.S. Energy Information Administration, Division of Oil and Gas of Alaska, BP Statistics.

# Alaska – Transportation

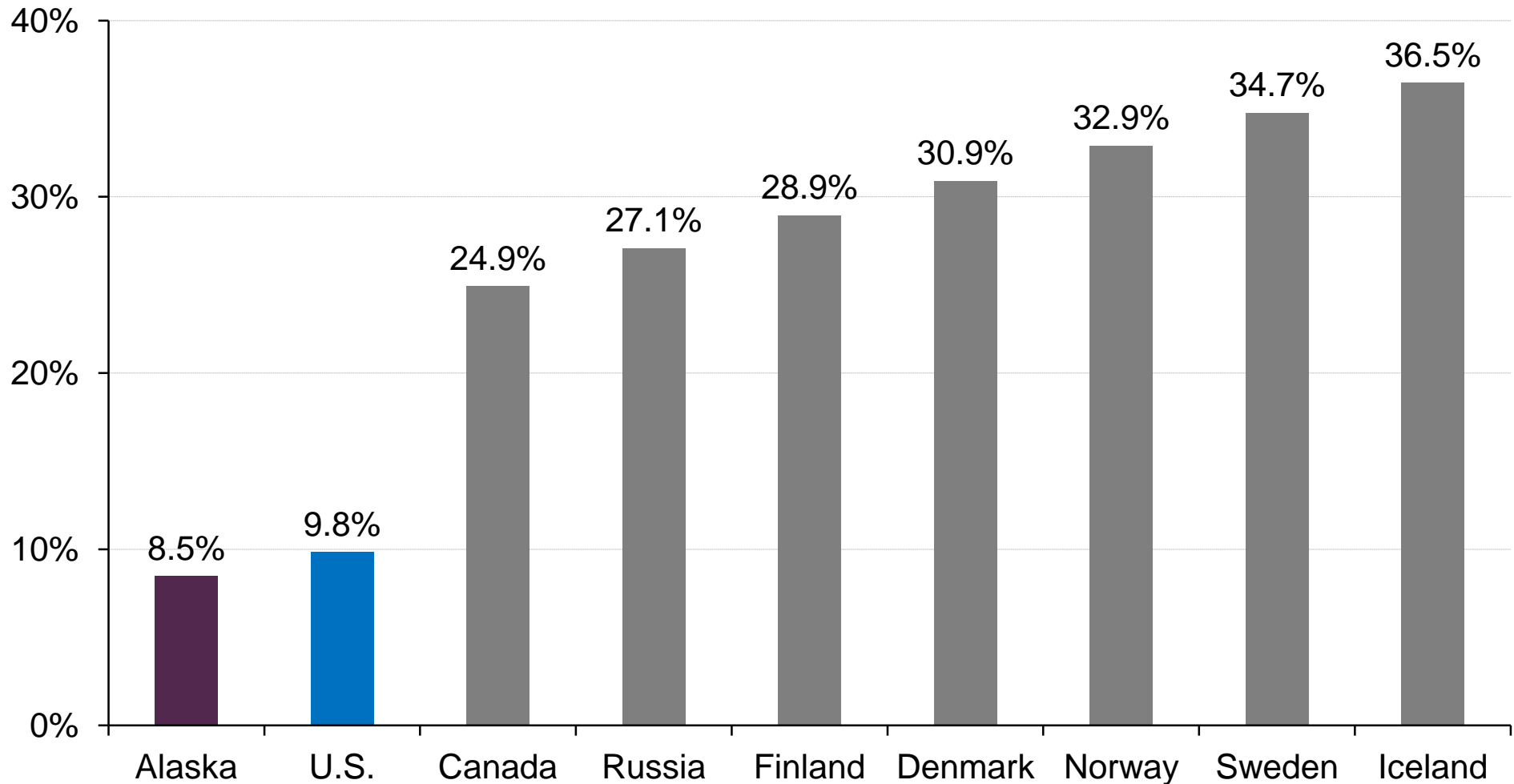
## World's Busiest Airports by Cargo Traffic (2010)





# Export of Goods as a Percent of GDP

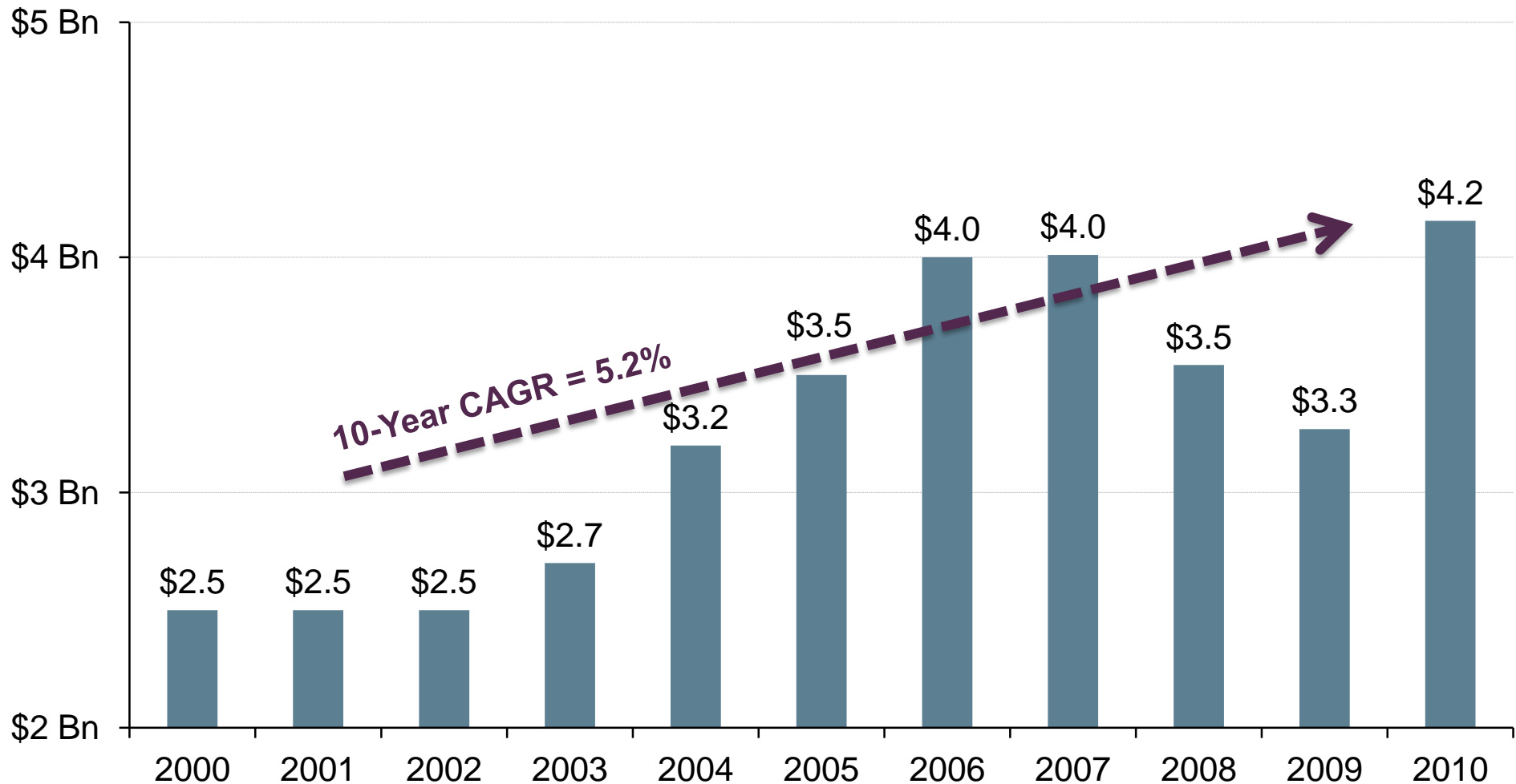
## Exports as a Percent of GDP Comparison



Source: Haver Analytics, Guggenheim Investments. Data as of 12/31/2011 for Sweden, Norway, and the U.S., and as of 12/31/2010 for the other regions

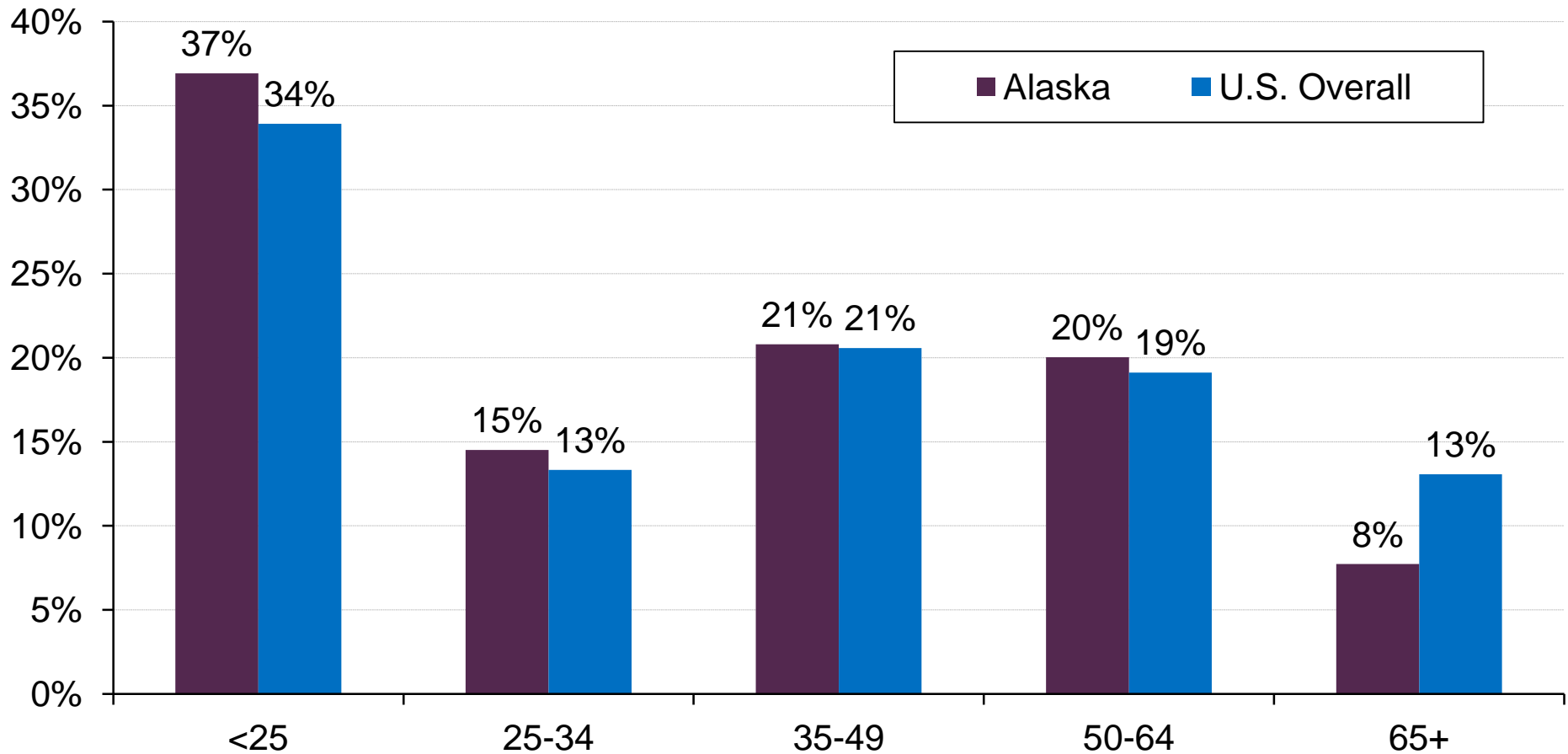
# Export Growth in Alaska

## Nominal Exports of Goods from Alaska



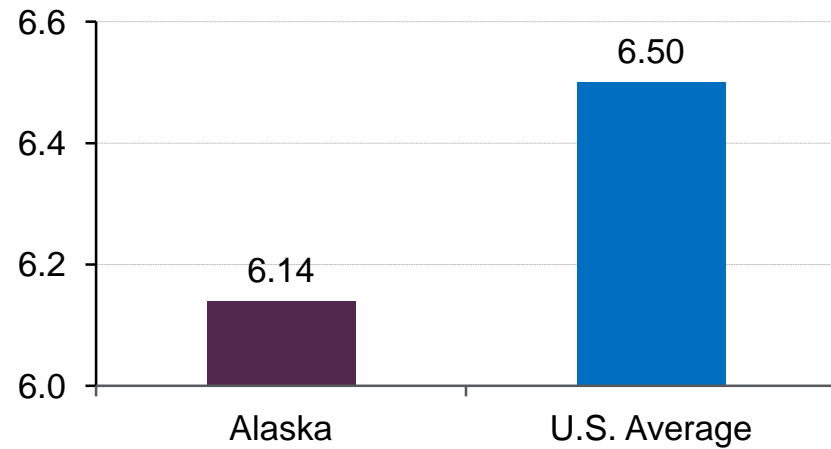
# Favorable Demographic Composition in Alaska

## Population by Different Age Groups as a Percent of Total Population



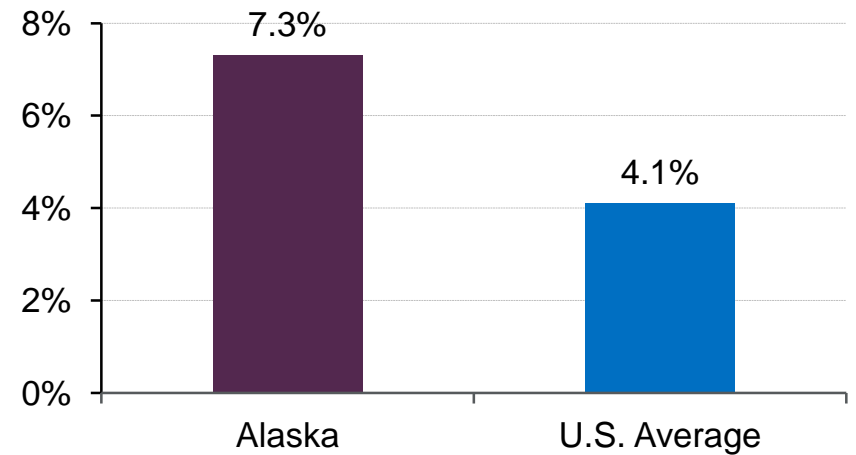
# Education in Alaska

## Teachers per 100 Students – Elementary & Secondary Education



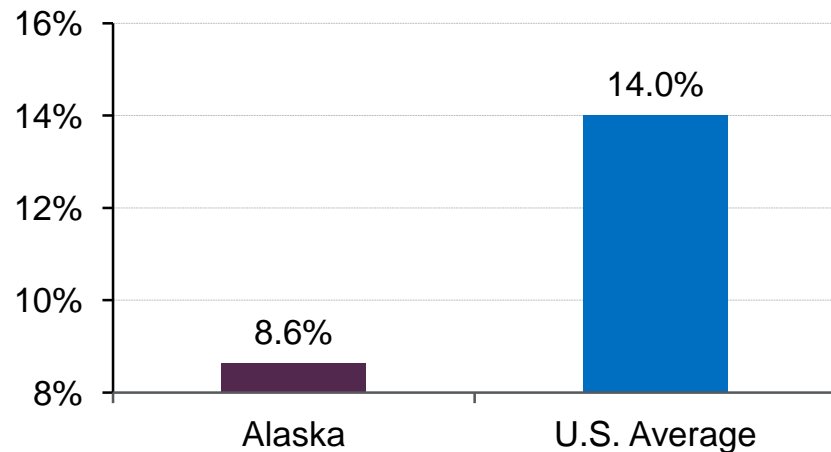
Source: National Center for Education Statistics. Data as of 2009 – 2010.

## High School Dropout Rate



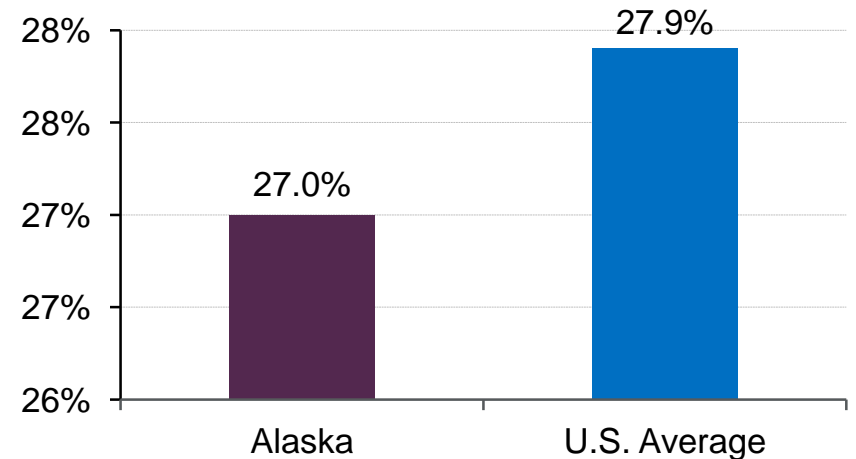
Source: National Center for Education Statistics. Data as of 2007 – 2008.

## Graduate Student Enrollment Ratio – Postsecondary Education



Source: U.S. Census Bureau. Data as of Year 2010

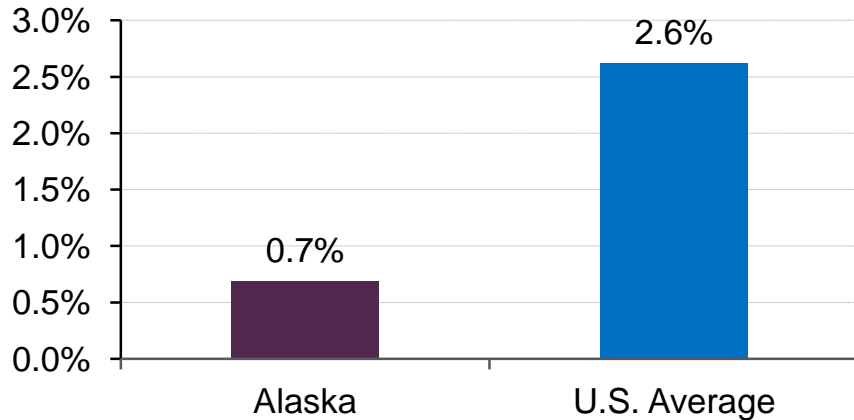
## Bachelor's Degree or Higher as a % of Persons Age 25+



Source: U.S. Census Bureau. Data as of Year 2010

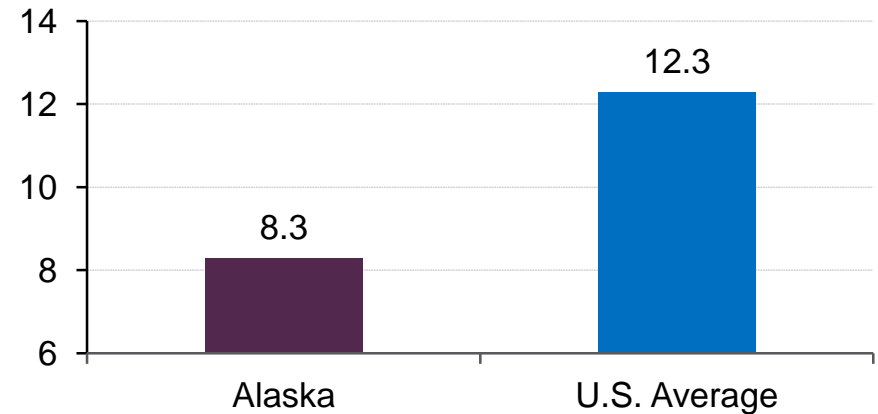
# Research and Development in Alaska

## R&D as Share of Gross State Product (%)



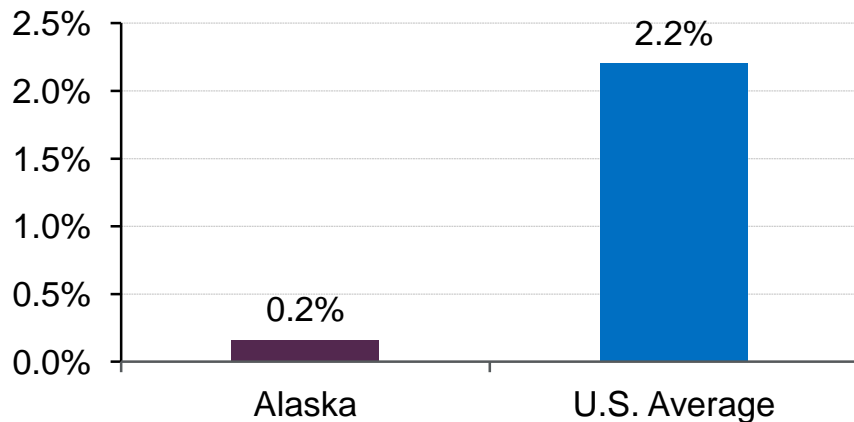
Source: National Science Board and National Science Foundation. Data as of Year 2007

## Science & Engineering Graduate Students per 1,000 Individuals



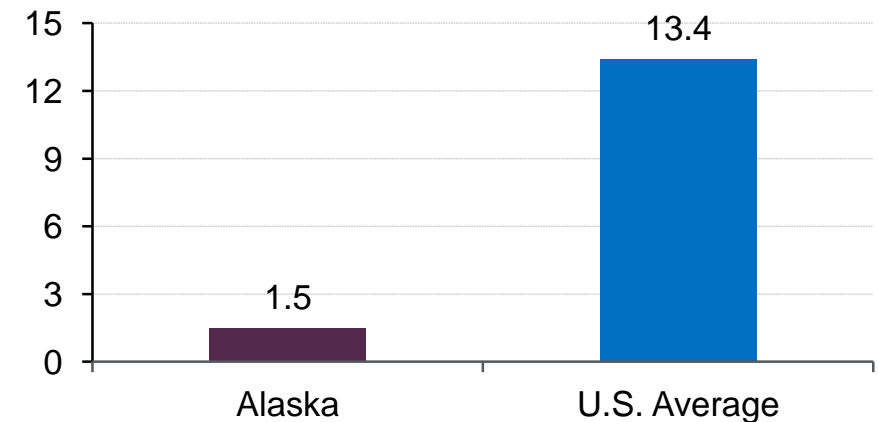
Source: National Center for Education Statistics. Data as of 2007 – 2008

## Business-Performed R&D as Share of Private-Industry Output



Source: National Science Board and National Science Foundation. Data as of Year 2007

## Patents Awarded per 1,000 Individuals in Science & Engineering Occupations



Source: National Science Board and National Science Foundation. Data as of Year 2008

# Recent Investment Developments in the Arctic Regions

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Date	Activity
Sep-05	<u>Russia</u> to spend \$2.5 billion on Arctic port to boost oil shipments
Jan-08	<u>Russia</u> plans Arctic tidal power plant to boost renewable energy
Aug-08	<u>Iceland</u> to offer Arctic offshore drilling licenses
Oct-10	<u>Russia's</u> Norilsk Nickel plans \$20 billion program to boost arctic output
Oct-10	<u>Canada</u> is investing \$100 million (CAD) over five years to provide the geosciences knowledge necessary for private sector exploration companies to guide investment decision
Apr-11	<u>Russia's</u> Lukoil to buy 25% of Bashneft Arctic fields for \$167 million
May-11	Shell announces offshore drilling plan near northwest coast of <u>Alaska</u>
Jun-11	<u>Greenland</u> is expected to issue more than 200 new prospecting, exploration and mining license permits in 2011
Aug-11	ExxonMobil reaches deal with <u>Russia</u> and Rosneft to explore the arctic region of Russia for oil and gas
Sep-11	<u>Canada</u> announced \$67.3 million for research on Arctic climate change
Feb-12	<u>Canada's</u> Telesat proposes \$40 Million (CAD) investment in Arctic infrastructure

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