Role of Oil & Gas In Alaska’s Economy

Kara Moriarty
President/CEO
The oil and gas industry accounts for approximately 1/3 of all employment & wages in Alaska.
How does money flow through Alaska’s economy?

Oil and gas production companies, pipelines, and refineries
(16 "Primary Companies")

- Spending with Alaska businesses
  - Indirect employment & wages
- Wages paid to Alaskan workers
  - Induced employment & wages
- Taxes and royalties
  - State government spending
    - Wages, capital projects, programs
  - Local government spending
    - Wages, capital projects, programs
Key Statewide Findings

Direct Impacts of Primary Companies in 2013:

- Employed 5,335 workers in Alaska
- $780 million in wages
- Spent $5 billion with Alaska vendors
- Paid $7 billion in taxes & royalties in Alaska
Key Statewide Findings

“Primary Company” private sector spending & public sector payments accounted for:

• **111,500** total jobs, representing **33%** of all wage & salary jobs in Alaska

• **$6.43 billion** in wages created, representing **38%** of all Alaska wages
Key Statewide Findings

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• **1 = 20**
Key Statewide Findings

How do we get to 111,500 jobs & $6.43 billion wages?

- **Primary:** 4,700  $780 million
- **Support:** 8,400  $700 million
- **Indirect/Induced:** 37,000  $1.97 billion
- **Subtotal:** 51,000  $3.45 billion
- **Public Sector:** 60,500  $2.98 billion
## Anchorage Jobs & Wages

<table>
<thead>
<tr>
<th>Year</th>
<th>Jobs</th>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>2040</td>
<td>$345 million</td>
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<tr>
<td>Support</td>
<td>2143</td>
<td>$254 million</td>
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<tr>
<td>Induced/Indirect</td>
<td>21217</td>
<td>$963 million</td>
</tr>
<tr>
<td><strong>Total 2010</strong></td>
<td><strong>25400</strong></td>
<td><strong>$1.562 billion</strong></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>2300</td>
<td>$443 million</td>
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<tr>
<td>Support</td>
<td>2800</td>
<td>$260 million</td>
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<tr>
<td>Induced/Indirect</td>
<td>25900</td>
<td>$1.367 billion</td>
</tr>
<tr>
<td><strong>Total 2013</strong></td>
<td><strong>31000</strong></td>
<td><strong>$2.070 billion</strong></td>
</tr>
</tbody>
</table>
SUCCESSFUL DRILLING = MORE PRODUCTION = MORE JOBS

- Engineering
- Procurement
- Fabrication
- Construction
- Logistics
- Support

CH2M HILL

- Health, Safety & Environmental
- Administration
- Finance & Accounting
- Human Resources
- Transportation & Logistics

DRILLING RIG

- Rig Staff/Support
  - Crew
  - Catering Support Services

- Drilling Fluid
  - Mud Engineers
  - Catering Support Services

- Logging
  - Logging Engineers
  - Catering Support Services

- Fuel
  - Drivers
  - Mechanics
  - Catering Support Services

- Tubulars
  - Casing/Tubing Crew
  - Catering Support Services

- Cementing
  - Pumping Specialists
  - Catering Support Services

- Long Haul Transport
  - Drivers
  - Mechanics
  - Catering Support Services

- Fluid Hauling
  - Drivers
  - Mechanics
  - Procurement Support Services

- Support Services
  - Health, Safety & Environmental
  - Administration
  - Finance & Accounting
  - Human Resources
  - Transportation & Logistics
Tax Credits

- Investment in Alaska’s future
- Generating jobs, investment and production
- Key in attracting new and smaller companies to Alaska
Competitiveness, Stability & Predictability
Not Buzzwords. They Matter.