

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,

In October, Alaska's benchmark oil price fell to \$74.62 per barrel, missing the state budget projection. Year-to-date oil production is also down by 2 million barrels compared to 2023.

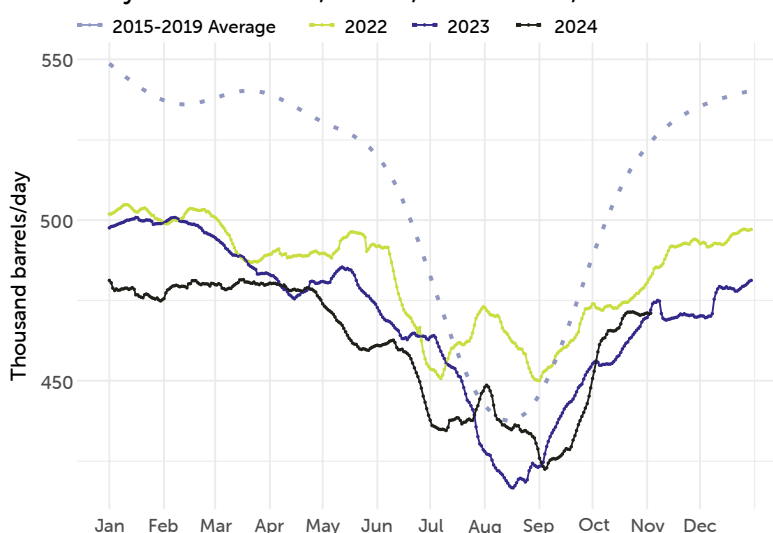
Alaska's commercial fishing industry struggled in 2024 due to low salmon runs and prices, leading to decreased earnings and fewer jobs in seafood processing. The markets for crab and halibut have also seen significant declines. However, Alaska's salmon and pollock markets are doing well in terms of harvest volumes and values.



Alaska year-to-date oil production 2 million barrels short of 2023

Daily oil production in Alaska was 488,000 barrels on Nov. 3. In October, daily production averaged 470,771 barrels, compared to 469,000 in October 2023 and 479,000 in October 2022. Year-to-date, Alaska oil production has totaled 141.34 million barrels, 2.07 million less than the same time period in 2023. ▼

Daily Oil Production, Jan 01, '22 - Nov 03, '24



Data from the Alaska Department of Revenue

Daily Oil Prices, Feb 02, '21 - Nov 01, '24



Data from the Alaska Department of Revenue



Oil prices below 2025 forecast

Alaska's benchmark oil price, ANS West Coast, was \$72.19 on Nov. 1. In October, daily prices averaged \$74.62 per barrel, compared to \$90.48 in October 2023 and \$93.06 in October 2022.

The Alaska budget forecast projection in fiscal year (FY) 2025 is \$78 per barrel. At the start of FY 2024, oil prices were above this figure but have since been on a downward trend, remaining consistently below \$78. As of Nov. 1, the FY 2025 average oil price slightly exceeded \$78 per barrel. ►

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Alaska seafood processing sees employment declines

Alaska's seafood industry is crucial to providing employment opportunities in coastal communities. The main jobs in commercial fishing include positions for boat captains, deck hands, fisheries managers and seafood processing workers.

As of July 2024, there were approximately 15,200 seafood processing jobs across Alaska, a decrease from 17,900 jobs in July 2023. The decline in processing jobs was seen throughout the state but was most pronounced in the Southwest region, in key ports such as Bristol Bay and Dutch Harbor, which is still below its pre-pandemic high levels of nearly 12,000. Processing jobs in the Gulf Coast region have remained stable during the past 20 years. ►



2024 low salmon runs

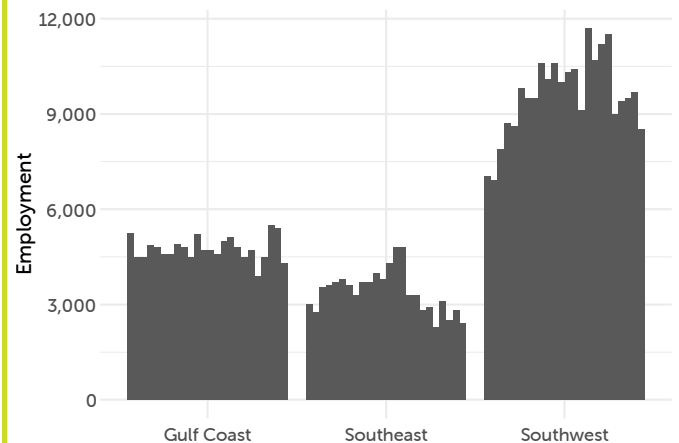
The 2024 salmon season recorded a statewide harvest of 100.2 million fish, a substantial decrease from 225.8 million in 2003 and below the five-year average of 185.2 million. The Alaska Department of Fish and Game predicted a harvest of 137.7 million fish.

The sharp decline was primarily due to pink salmon, which dropped from 148.2 million in 2023 to 38.5 million in 2024. Other species also saw reduced harvests. Sockeye salmon decreased from 51.9 million in 2023 to 41.3 million in 2024. Chum salmon remained above their five-year average despite a reduction. Chinook salmon harvests fell to 176,000, below the five-year average of 259,000. ►



Seafood Processing Employment

July Each Year, 2001-2024

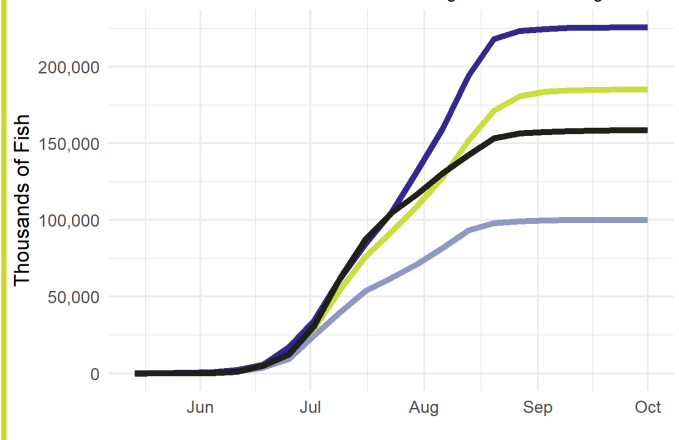


Data from the Alaska Department of Labor and Workforce Development

Alaska Statewide Salmon Harvest

Cumulative, by Week

— Current Yr — Last Yr — Two Yr Ago — Five Yr Avg



Data from the National Oceanic and Atmospheric Administration



Alaska seafood industry sees long-term harvest declines

Alaska pollock is the largest commercially harvested fish species in the United States by total weight and is among the most valuable in the world. In 2022, Alaska's pollock fleet caught 1,226,483 metric tons. Over the past 30 years, Alaska pollock harvests have only seen a modest decline of 12%.

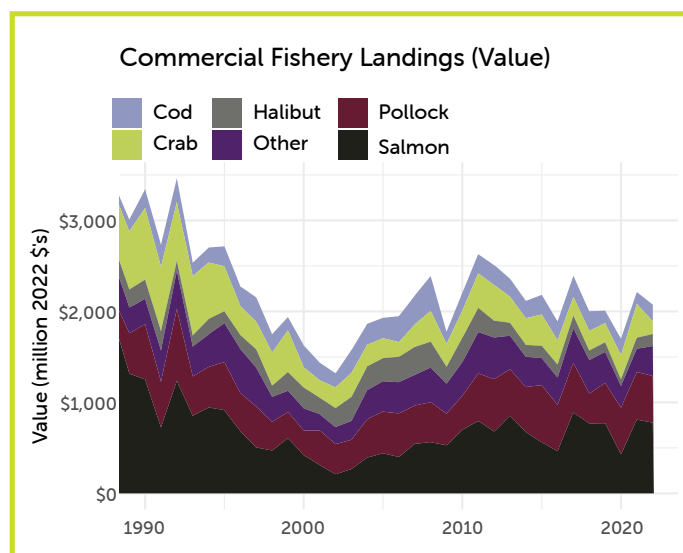
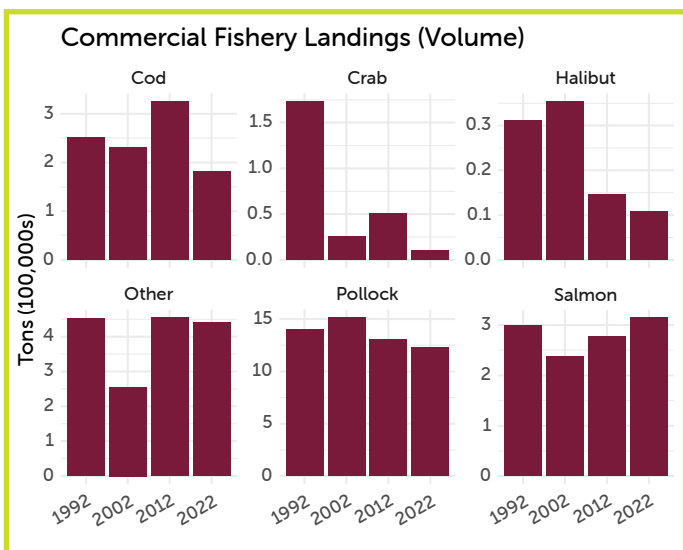
Salmon harvests have rebounded from low runs in the early 2000s, while crab and halibut landings have significantly decreased. Crab catches fell by 94%, from 173,020 metric tons in 1992 to 10,306 metric tons in 2022. Halibut landings dropped by approximately 65%, from 31,179 metric tons to 10,857 during the same period. Although these species comprise a smaller portion of Alaska's overall harvest by weight, declines in these high-value species are economically significant. ▼



Alaska's seafood economic value shifts

Since 1990, Alaska's commercial fisheries have seen declining earnings, particularly in the early 2000s due to low salmon prices and runs. However, during the past 15 years, earnings have stabilized, driven by rising salmon prices and larger runs, making salmon the primary contributor to this recovery.

Cod's value declined by 10.9%, from \$205.5 million in 1990 to \$183 million in 2022. Values of other species exhibited a similar trend during the same period. Crab fishing suffered the most, plummeting 82.2% from \$789.4 million to \$140.2 million. Halibut dropped by 37.9%, decreasing from \$210.6 million to \$130.8 million. Pollock's value fell by 15.6% from \$607.5 million in 1990 to \$513 million in 2022. ▼



Data from the National Oceanic and Atmospheric Administration

Data from the Alaska Department of Fish and Game

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Did you know...

Alaska pollock is the largest commercially harvested fish species in the U.S.?

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



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